

Virgin Capital: Foreign Investment and Local Stratification in the US Virgin Islands

by

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Dissertation submitted in partial fulfillment of  
the requirements for the degree of Doctor of Philosophy in the Department of  
Cultural Anthropology in the Graduate School  
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## **ABSTRACT**

*Virgin Capital* explores the impact of the Economic Development Commission (EDC) program in the US Virgin Islands and asks, “How do contemporary circulations of capital and people alternately build upon and complicate long-present hierarchies?” This dissertation approaches the EDC, a tax holiday program that has attracted a number of primarily American bankers to the island of St. Croix, as a space in which struggles over quasi-offshore capital produces tensions rooted in race, class, color, gender, and generation. These clashes surrounding ‘appropriate’ financial and social investment have both integrated St. Croix into the global financial services market and produced a great deal of tension between EDC community and residents of St. Croix. Moreover, the presence of this program has generated new categories of personhood that in turn have sparked new debates about what it means to ‘belong’ in a territory administered by the United States. These new categories of personhood are particularly gendered and alternately destabilize and shore up long-standing hierarchies of generation, gender, and place.

The ethnographic basis of *Virgin Capital* is 16 months of fieldwork I conducted on St. Croix, USVI. Throughout the dissertation, I bring academic writing together with the perspectives of Crucians and ‘EDC people.’ These viewpoints are central to this project as they make clear the ambivalent positioning of the EDC program and its participants in the current moment of increasingly global circulations.

*For my fellow Crucians. As always, I only gone to come back.*

# CONTENTS

Abstract.....	iv
Acknowledgements.....	ix
1. Introduction.....	1
Tracing the Emergence of the EDC Program in the USVI.....	4
Theoretical Significance.....	8
Methodology.....	12
‘You is One of We’: Positionality in the Field.....	17
Chapter Outline.....	19
2. Caribbean Development.....	22
Intra-Territorial Divisions: St. Croix vs. St. Thomas.....	28
Slave Uprisings in the DWI and the US Purchase.....	31
Becoming American: Adapting to a US Racial Hierarchy.....	36
Stimulating Economies: Divergent Strategies Across the USVI.....	38
Industrialization.....	40
Migration and Dislocation.....	51
Beyond Industrialization: Financial and Information Management in the Caribbean.....	54
3. The EDC Program: An Overview.....	61
From Industry to Finance: Shifting Development Paradigms.....	63
Virtual Development: States, Markets and the EDC.....	67

Grounding Globalization: Historical and Contemporary Factors Contributing to the Centrality of the EDC Program on St. Croix.....	74
Requirements and Frustrations: Local Critiques of the EDC Program.....	76
SWAT Gear and Bank Statements: Government Raids and the EDC.....	91
Financial Services as Development.....	99
‘Strange’ Clothes and Ideas: EDC Dress Codes and ‘Cultural’ Differences.....	103
4. Pirates in the Caribbean: EDC Internships.....	108
Pursuing Internships.....	112
My Life as an ‘EDC Girl’ .....	123
Working to Get Familiar.....	128
Intra-Office Dynamics.....	132
Quarterly Meetings.....	139
More of the Same: Stanford Indictment.....	142
5. Racialization and the EDC Program.....	156
Between ‘Slave Days’ and Globalization.....	158
Local Reaction to the EDC Program.....	159
Segregated Neighborhoods: Access to ‘EDC People’ .....	163
‘We’ vs. ‘Dem Deh’: Shifting Antagonisms.....	167
Racial Tensions and the EDC.....	169
A Black Majority: Violence and the EDC.....	169
‘EDC People’ as Whites.....	173
White Before EDC: Long-Term White Residents.....	174

‘EDC People’ as ‘Racist’ .....	180
‘EDC People’ and Land: Increasing Property Taxes and Real Estate Costs.....	183
‘EDC People’ and Crime.....	185
Blacks, Whites, and Natives.....	189
6. Easy Money: EDC Girls & EDC Wives.....	206
‘EDC Wives’ and Increased Philanthropy.....	215
‘EDC People’ and Long-term Whites: Competitive Giving and Status.....	217
‘Respectable’ Pastimes.....	219
‘EDC Girls’: New Identities Through Consumption.....	223
Processes of Subject Production.....	231
Negotiating a New Identity.....	246
7. Conclusion.....	250
References.....	255
Biography.....	268



## ACKNOWLEDGEMENTS

This dissertation is the product of my lifelong connection to St. Croix. It would never have come into being without the persistence of my mother, who insisted on raising me on that magical island, over my frequent complaints about the lack of shopping malls, escalators, and snow. Mom, I thank you for giving me the gift of being a Crucian, your unconditional support and unwavering confidence. I thank God for strengthening me and for the opportunity to complete this fulfilling journey.

On St. Croix, I owe a debt of gratitude to a number of people who enriched my life and work before, during, and after fieldwork. Deanna James, I'm not sure how I got by before being introduced to your strength, vision, and sisterhood. Nicole Y. Canegata, my sounding board and cheerleader, you saw this project coming to fruition—and insisted that I see it, too. Ana Castillo, there are not enough words to express how grateful I am for your open door, listening ear, and rice & beans. Emily Graci, thank you for listening. At the EDA, I thank especially Albert Bryan, who made my research at the agency possible and made time for an inquisitive grad student, and Paul Arnold.

During my time at Duke, I was fortunate to work with and learn from scholars of the highest order. Deborah Thomas, thank you for a full decade of intellectual growth, mentoring, and direction. The seed of this project was planted when we met. Charles Piot, thank you for so generously giving of your time and talent—you pushed me intellectually

and enabled me to see connections I had no idea existed. Anne Allison, your scholarship is staggering, and your dedication to your work and students is humbling. Thank you for making me feel welcome from the moment I arrived at Duke. Karla Slocum and Ian Baucom, thank you for clarity and insight. Mark Anthony Neal, thank you for your unflagging support and encouragement. Commiserating with my fellow graduate students at Duke made much of this journey possible: thank you to Jenny Woodruff, Anne Gulick, and Reena Goldthree. To my Durham family—Bianca Williams, Jamaica Gilmer, and Micah Gilmer—‘thank you’ does not do justice. The late nights, early mornings (except Bianca), and long phone calls paid off: We did it!

At Wesleyan University, I am grateful to Krishna Winston for introducing me to the Mellon program and graduate study. I sincerely thank Kehaulani Kauanui for her academic guidance.

This project was made possible financially by a number of donors to whom I am grateful: the Center for Caribbean and Latin American Studies at Duke University provided me with support to attend formative conferences and conduct preliminary fieldwork; the Mellon Foundation provided financial assistance and arenas for emotional support throughout my graduate career; the Wenner-Gren Foundation for Anthropological Research funded my dissertation fieldwork; and a Dissertation Fellowship from the Ford Foundation enabled me to immerse myself completely in the project of writing this dissertation.

Thank you to Shatema Threadcraft, a peer who entered my world at just the right moment. I would also like to thank my dear friends who have been providing me with crucial support since our days at Wesleyan: Akilah Whittaker and Anmarie Paul. Lastly, I thank Anto Sugrim whose confidence in my abilities pushes me further than I'd imagined possible.

# 1. INTRODUCTION

*“Much of what happens in electronic space is inflected by the cultures, the material practices, the imaginaries that take place outside electronic space”*  
*(Saskia Sassen in Frontiers of Capital: Ethnographic Reflections on the New Economy).*

In the fall of 2008, the financial sector of the United States’ economy was in trouble. As a result of the failure of several major investment banks, a possible rescue package (or ‘bailout’) of Wall Street by the federal government became a topic of much discussion. This ongoing collapse of the global economy was frequently linked to a number of images: beggared Wall Street bankers; shuttered windows where formerly thriving businesses once stood; foreclosure signs stretching along blocks of manicured lawns. What the downturn did not immediately bring to mind for most participant-observers of the ongoing economic downturn were visions of the sandy shores of the US Virgin Islands (USVI) — yet the US financial crisis had particular resonance in this US territory—especially on the island of St. Croix—as a result of the 2001 establishment of the Economic Development Commission (EDC), a development initiative that closely linked the economic fate of this tiny island to developments on Wall Street and made this US territory an important node in this global financial moment.

As a result of the EDC, a program launched in the USVI through an agreement between local politicians and the US federal government and designed to stimulate the economy of these US-owned islands by offering companies staggering tax cuts, St. Croix has, for the past few years, played host to a number of financial firms and their managers. While funds in the Caribbean have long been viewed as suspicious (an assessment based on the assumption that such investments are intended to evade US tax requirements), the EDC program represents an attempt by the local government of the US Virgin Islands at legitimate banking and financial management in the Caribbean. Arriving from the US mainland and sometimes employing the requisite number of Virgin Islands residents, the managers of many of these companies have, since the beginning of the program, been ambivalently positioned on the island. While the pay at EDC companies is generally much higher than that offered in other sectors on St. Croix, these companies are also seen by local residents as unstable and suspicious—a reputation earned as a result of a number of federal investigations at various EDC companies and further solidified by the recent charges of investment fraud brought against the largest such company on the island, Stanford Financial. Operating five growing offices across the island and quickly buying up large swaths of real estate, this company's CEO was heralded by advocates of the program as the billionaire-savior of St. Croix's long-struggling economy, but vilified by many Crucians priced out of the real estate market as a result of his seemingly-endless dollars. This company and its CEO served as the embodiment of the ambivalence with which Crucians view the EDC program.

In light of the enormous impact that Stanford Financial had on St. Croix, as well as the CEO's avowed commitment to good corporate citizenship (at a 2007 economic forum on St. Croix he described the order of the day as "getting rid of the pirates *in the Caribbean*"), I interned with this company, as well as several other EDC entities, as part of the research on which this dissertation on the EDC program is based. Having returned to the US mainland after fieldwork, I heard from friends quickly when the Securities and Exchange Commission (SEC) filed charges against Stanford, dealing a stunning blow to the already-beleaguered economy of St. Croix. What is more, the checkered history of the program, combined with the unfolding of this particular story—including the arrest of the Chief Investment Officer as well as the CEO himself—make it difficult for Crucians to take seriously the prospect of employment with this company or any of its kind on the island. For many former Stanford employees who left the island to attend college in the United States, landing a job within the EDC sector and earning a salary comparable to that earned by financial workers on the US mainland represented a viable opportunity to spend at least part of their working lives back on St. Croix.

Having held a grand spectacle of a groundbreaking ceremony for its megacomplex-headquarters on St. Croix in 2007, replete with the requisite dignitaries and, for added measure, the Antiguan cricket team in uniform (Stanford's long-term financial presence in Antigua includes ownership of that island's national stadium), the revelation of Stanford's actual state of affairs marked a stunning reversal for the EDC program at large. While Stanford's implosion lends itself to an easy recasting as a

Madoff-style scheme (a reference to the December 2008 arrest in the United States of businessman Bernie Madoff, charged with what is currently the biggest investor fraud ever perpetrated by a single individual, and resulting in his imprisonment for 150 years), it is important to note the context: until its indictment, employment at Stanford, and the conferral of its coveted company Stanford logo pin, was a defining status marker on the island. More deeply than that, however, working at this company—and to a lesser degree any EDC—represented the possibility of mobility and a new identity for Crucians long overlooked by the standard economic stimulus of Caribbean islands: tourist dollars. The slow demise of the EDC program in general and the fiery crash of Stanford in particular draw attention to the long history of economic stagnation on St. Croix and the complicated outcomes of its recent insertion into global financial circulations through the EDC program.

### **Tracing the Emergence of the EDC Program in the USVI**

While islands such as Puerto Rico, the Cayman Islands, and the British Virgin Islands offer attractive tax benefits to investors, St. Croix's status as an English-speaking American possession means that it is uniquely positioned to serve as a new 'frontier' in the global financial services market. Building on Anna Tsing's (2005) notion of friction arising between unlikely places as a result of competing expectations of globalization, this dissertation approaches the EDC program as a space in which struggles over quasi-offshore capital produces such tensions. That is, clashes surrounding 'appropriate'

financial and social investment have both integrated St. Croix into the global financial services market and produced a great deal of friction between the EDC community and residents of St. Croix. Moreover, the presence of this program has generated new categories of personhood that in turn have sparked new debates about what it means to ‘belong’ in a territory administered by the United States. These new categories of personhood are particularly gendered and alternately destabilize and shore up long-standing hierarchies of generation, gender, and place. Throughout, I will examine especially the emergent role of female EDC workers (‘EDC girls’) as well as the wives of EDC businessmen (‘EDC wives’).

While its sister islands of St. Thomas and St. John have both fared well, St. Croix has struggled for decades with finding ways to stimulate the local economy because tourism, the economic development avenue pursued by many Caribbean countries since the mid-20th century, has not been a significant growth industry. In 2001, the local government of the USVI instituted the EDC, an initiative that encouraged financial services companies to relocate to the island. Development strategies based on foreign investment are not new to the Caribbean. Since the mid-twentieth century, many Caribbean territories have pursued development through industrialization by invitation programs. The 1948 implementation of Operation Bootstrap in Puerto Rico stands as a pioneering example, yet countries like Jamaica, Trinidad, Haiti, and the Dominican Republic have also attempted these types of development schemes. Typically, these projects have provoked resentments among sectors of the ‘host’ societies as managerial



staff, mostly foreigners and local elites, maintain exclusive social enclaves that are classed and racialized (Douglass 1992; Maurer 1997). During the 1970s and 1980s the local government of the USVI similarly pursued economic growth through the Industrialization Development Commission (IDC), with the primary beneficiaries being working class Crucians who were able to find employment within the aluminum and watch-making industries on St. Croix through this program.

The new EDC program, however, has been seen as abandoning the working class. In part, this is because it is directed toward financial services and not industrial production and as a result, the program typically hires Crucians who have received their tertiary educations in the United States. This hiring preference on the part of EDC employers has contributed to an entrenchment of status hierarchies that are rooted in education and the ability to migrate, which are themselves tethered to local color and class expectations. It has also tended to solidify biases that position the attainment of education on the US mainland as superior to that which could be obtained locally. Finally, the program has reorganized the ways opportunities are gendered because EDC employers tend to hire significantly more young women than men. Beyond the notion of ‘EDC people’ (an identity tied directly to one’s relationship to this tax incentive program—and, thus, capital), these hiring preferences have contributed to the creation of a new social category on St. Croix, the ‘EDC girl,’ a subject expected to dress, act, and dispose of her generous salary conspicuously on items such as clothing, cars, and vacations—spending patterns that often frustrate the parents these women now out earn.

The counterpart to the ‘EDC girl’ is the ‘EDC wife,’ another new category of subjectivity that refers to those wives of EDC business owners who have largely dedicated themselves to charitable giving on the island, often confounding the long-term efforts of local nonprofit organizations. These emergent identities are central to this project, as they demonstrate the complicated relationships between gender, capital, and processes of subject-formation in the EDC program. Further, the fact that the EDC focuses on capital management as the driver of economic development will be crucial throughout, as my engagement with the program points to the ways in which the financial services model has similar effects vis-à-vis long-term development as tourism, the very model it was intended to replace.

This dissertation examines the impact of the EDC program not only by revisiting the debates among policy-makers, program beneficiaries, and Virgin Islands residents about the program over time, but also by paying attention to the proliferation of subsidiary industries that have developed to cater to the EDC community (such as the boom in construction and the emergence of a number of gourmet markets and expensive boutiques), the intensification of violent crime that has developed in the neighborhoods where EDC employers and their families are concentrated, and local discourse about the changes in St. Croix following the establishment of the EDC. Importantly, this exploration of the raced, classed, gendered, and generational effects of the EDC program on St. Croix allows me to parse the social and cultural effects of new relationships between states, state functions (Trouillot 2001), and markets within territories that are

often overlooked, not only within scholarship, but also in relation to the global development mandates and opportunities whose terms are set by independent nation-states and multi-lateral institutions.

### **Theoretical Significance**

In today's global marketplace, there seem to be few development options for small states, and especially those small states that are not independent, but maintain significant political and economic relations with former metropolitan centers. In the Caribbean, for example, countries like Puerto Rico, the US and British Virgin Islands, the Dutch administered territories of St. Maarten, Aruba, Bonaire, Curaçao, and Saba, and the French overseas departments of Martinique and Guadeloupe all confront current processes of globalization according to the particular terms set by their dependent relationships to the United States, Britain, France, and The Netherlands.

This dissertation contributes to emerging literature on the 'anthropology of finance' (Elyachar 2005; Marcus 1998; Maurer 1997, 2005; Roitman 2005), examining the ways in which new financial schemes are coming to redefine social spaces and politics throughout the world. As finance capital circles the globe in novel ways – seeking new profits, creating tax shelters (Maurer 1997), developing 'enclaves' beyond state control (Ferguson 2006)—it is often implicated in a dramatic remaking of social landscapes. Scholars whose work has focused on the Caribbean have noted that such

processes are hardly new for the region (Baucom 2005; Mintz 1985; Trouillot 2003; Yelvington 2001). Yet, the implementation of the EDC maps the current global shift away from industrial production, and the resulting circulations of capital resemble what Arjun Appadurai long ago described as “financescapes” (1990). It is important to note, however, that my work is in line with that of scholars who have written against an overly-celebratory rendering of these developments, and insists on recognizing the continuing power dynamics at work (particularly the continued salience of gender and race) in these circulations (Sheller 2003), as well as the importance of mobility and the ability of some subjects to be more ‘flexible’ than others (Ong 1999). This dissertation, then, examines how the program contributes to a “recharting” of the Caribbean in relation to capital (Maurer 1997), especially in relation to the mutually-constituting hierarchies of class, status, race, gender, and generation – hierarchies that are long-standing but nevertheless dynamic.

An exploration of these issues on St. Croix necessitates a reconsideration of the primacy of the nation-state as the taken for granted mode of political and economic organization, as the interstitial status of the USVI as a politically-dependent territory of the United States complicates any reading of local practice that is rooted in either liberal assumptions about sovereignty or premature proclamations about the death of the nation-state (Appadurai 1996; Hansen 2006; Hardt and Negri 2000; Kelly and Shah 2006; Ong 1999, 2006; Sassen 2003; Shah 2006; Singer 2003; Slocum 2006). My work, therefore, is geared toward investigating the relationships between the geopolitical position of St.

Croix and implementation of the EDC program, exploring the shifting power dynamics among and between various actors (including local and federal government officials, as well as international entrepreneurs and local activists) who have stakes within this initiative: for instance, the pseudo-police cars made to closely resemble VIPD vehicles funded by one EDC businessman to provide added security to certain sections of the island serve as an example of privatized state functions (Roitman 2005).

My research has also been informed by post-structuralist critiques of development (Escobar 1994; Ferguson 1990; Pigg 1991; Sachs 1992), wherein development is seen as a field of discourse that is both informed by and productive of relations of power. However, in concert with critiques of this literature (Babbington 2000; Berger 1995; Kiely 1999; Little and Painter 1995; Pieterse 1998; Peet and Hartwick 1999), I seek to go beyond their singular focus on the texts and language of development to also explore the effects of such discourse on the everyday lives of Crucians. Following earlier work on the Caribbean, my project is an ethnographic engagement with the effects of development policies long studied by Caribbeanist feminists (Bolles 1983; Deere et al 1990; McAfee 1991; Safa 1995; Sen and Grown 1987), yet by focusing on financial industries rather than, for example, structural adjustment policies or offshore factory production, my work examines the extent to which new development initiatives might generate different challenges as well as opportunities for various sectors of Caribbean populations. This dissertation, then, is designed to explore the myriad, cross-cutting effects of the EDC on

St. Croix while taking seriously the claims of EDC advocates and businessmen as well as detractors of the program.

Finally, this project engages and builds upon current work that addresses how contemporary processes of globalization are profoundly and intrinsically both racialized and gendered in ways that draw from older ideological and institutional constructions of race and gender in the region, but that also produce new dynamics of subject formation (Clarke and Thomas 2006; Freeman 2000; Hall 1997; Holt 2000; Khan 2004; Thomas 2004; Yelvington 1995). Gender has long been one of the primary units of analysis in Caribbeanist research, and scholarship on women and labor in the region has been particularly rich (Abraham-Van der Mark 1983; Anderson 1986; Barrow 1995; Barrow 1998; Bolles 1983; Ellis 2003; Kempadoo 2004; Leo-Rhynie 1997; Mohammed 2002; Mohammed and Shepherd 1988; Momsen 1993; Yelvington 1995). Recently, Carla Freeman's (2000) work on "pink collar identities" has suggested that a re-feminization of the labor process has occurred with the turn toward service industries, resulting in an upward repositioning of (some) women within local status hierarchies. I seek to build on this insight by exploring how young, US-educated female EDC employees are both beneficiaries and victims of the current neoliberal moment, what this has meant for socio-economic and political organization in St. Croix, and how these women embody one of the "experiential contradictions" described by Jean and John Comaroff (2000) as integral to millennial capitalism. The processes of racialization at work in the EDC program have resulted in an increase in racial tension and racially-motivated violence (a subject I

address in Chapter 5). Moreover, the group of global elites known as ‘EDC people’ brought to St. Croix by this program have displaced long-term white residents, subsuming this group under the umbrella of ‘EDC people,’ against their protest. If long-term whites are displeased with the changes in the racial hierarchy and social relations brought about by the presence of ‘EDC people,’ many Crucians object even more strongly, describing the arrival of these global elites, their selective engagement with the local community and residential and social enclaves, as an attempt to return to plantation-style race relations—or, as I was repeatedly told during interviews—“slave days.” While Crucians position EDC businessmen and their families in the model of slavery, I suggest piracy as the more apt metaphor, given the circulations involved and the attempts of ‘EDC people’ to circumvent the disciplinary authority of the state. In her work on Jamaica, Anita Waters finds that “the lawlessness of pirates is linked with the extraordinary liberties enjoyed by Europeans in the colonies” (Waters 2003: 172), a connection drawn by many Crucians with regard to ‘EDC people.’ Addressing the current moment, Sheller (2003) also links offshore banking and piracy, writing “the Caribbean has become a leader in the free-booting flight of capital across international borders” (Sheller 2003: 32).

## **Methodology**

The ethnographic grounding of this dissertation is 16 months of fieldwork I conducted in the USVI, primarily on St. Croix, during which I asked questions, hung

around, and worked as an unpaid intern in order to explore the social, cultural, and political effects of the EDC program. During this time, I gained insight into the public and private sector perspectives of this program by working with both the local government and two financial management companies receiving EDC benefits. My work with the government took the form of a 5-month internship with the local agency responsible for overseeing the program, the Economic Development Authority (EDA). During this internship, I assisted with reviewing the EDC application process, attended public and private hearings relating to the program, and met with EDC beneficiaries. Working with the local government in this way allowed me access to legislators and stakeholders on St. Croix as well as provided insight into their understanding of the role of the EDC program. My primary ethnographic engagement with the private sector of this program, EDC beneficiaries, took place through two internships I performed simultaneously over the course of 11 weeks. These beneficiary companies, St. Croix Fund and Stanford Financial, were both financial entities, yet they were—in terms of structure, organization, and operation—at opposite ends of the EDC spectrum.

St. Croix Fund, a hedge fund with 10 employees, relocated to St. Croix from the continental United States in 2003 and was an informal company, headed by two relatively young business partners. Stanford Financial, in contrast, was a global financial enterprise consisting of a commercial bank, an insurance company, and wealth management services that relocated to St. Croix in 2007. This firm employed approximately 50 people across its 5 expanding offices on St. Croix, and was the subject of much discussion, and



rumor, on the island. The rumors were due in large part to suspicion surrounding the intentions of its billionaire-CEO, a wildly successful businessman whose accumulation of vast tracts of land on the island galvanized fears about the continued availability and affordability of real estate in the face of EDC interest and dollars. While both of these EDC companies were well-known on the island—and employment at either coveted—working for Stanford afforded a particularly high social status on St. Croix, a point raised by many of my fellow Stanford employees—by way of both complaint and celebration.

During our conversations at work, many female employees at Stanford expressed concern about the fact that employment at this company carried it with both behavioral expectations and assumptions about one's financial position and decision-making ability within the company. For example, one frequent grievance had to do with the fact that they often received unsolicited résumés from friends, family, and in many cases, strangers on the street. In an attempt to negotiate this new social role, one determined by employment at this particular firm, many women at Stanford adopted strategies such as removing the mandatory company lapel pin before leaving the office and responding with vague descriptions when asked about their line of work (e.g. 'I work at a financial company' or, if pressed, 'an EDC company'—rather than Stanford). This social positioning of Crucian women working at Stanford in particular and female EDC employees in general constitutes a new process of subject formation, one brought into being through both gender and these women's relationship to (that is, employment within) the EDC program.

As the category of EDC girl carries with it attendant expectations concerning behavior, dress, and relationship to the wider St. Croix community, so too does the role of EDC wife: the wives of EDC businessmen are understood to be, and in many cases are, unemployed, wealthy, and bored on St. Croix. The presence of this community of women has dramatically altered charitable giving on St. Croix, as many of these women channel their energies into philanthropic events on the island. These events range from high-end fundraisers in their homes to small-scale drives geared toward donating supplies to local schools. While generally well-intentioned, these philanthropic efforts often undermine more long-term, grassroots work on the part of local non-profit organizations that are unable to match either the level of giving or immediacy offered by the open checkbooks of EDC wives. As a result of their personal access to capital, these wives are able to donate to their favorite charities much more quickly than non-profit organizations that are often required to lobby their board of directors before giving. While EDC wives and EDC girls lead very different lives, and are subject to vastly different expectations, these categories represent new subject positions, informed by gender and one's relationship to the new kinds of social and economic capital that have been generated by the EDC program.

In addition to interning with the local government and EDC companies, I also conducted research with residents of St. Croix not affiliated with the EDC program, in order to get at perceptions of the initiative and its effects on daily life. During these conversations, several issues of concern arose regularly, including the hiring preferences

on the part of many EDC companies that work to benefit applicants from backgrounds of relative privilege in relation to color and class (and, as will continue to be important throughout, gender), and are seen as deepening existing divisions of wealth and opportunity in ways that are uncomfortably reminiscent of social hierarchies established in the Caribbean during slavery and colonial rule. Further, the presumed insularity on the part of much of the EDC community, including their cultivation of increasingly ‘exclusive’ residential and social spaces, has contributed to the distrust with which many residents of St. Croix view the program and its participants. The formation of these new spaces has translated into a discourse of ‘us/them’ or ‘belongers/non-belongers’ on St. Croix, a particularly complicated, yet common, conversation in this region characterized by long-standing and intense inter-island migration patterns. While beginning as a separation between ‘EDC people’ and the community of St. Croix, this division has sparked broader concerns about belonging and homeland, resulting in renewed demands for the rights of ‘native Virgin Islanders’ (an extremely fraught category), clashes between longtime residents over the primacy of birthplace, and the displacement of long-term white residents as ‘gatekeepers’ on St. Croix. What is more, the notion of ‘belonging’ on St. Croix is complicated further by the fact that the island is a possession of the United States, giving recently-arrived EDC people as much claim to belong as those with generations-long presence on the island.

## **‘You is One of We’: Positionality in the Field**

My anthropological training has taught me the crucial importance of self-reflexivity on the part of the researcher if there is to be any hope of presenting a comprehensive ethnographic account (this same training has also shown me that a complete reproduction or telling of one’s experience in ‘the field’ is, by definition, impossible). And yet. Yet it would be impossible for me to tell this story of the EDC program without telling the story of St. Croix. Without inserting myself first as a girl, and then a woman, whose memories and worldview are completely tethered to that island. Without recognizing the crucial ‘back door’ access I had to informants on the island as a ‘native’ Crucian, born and raised on St. Croix. This admission of my complicated position is meant as a gesture towards disclosure and honesty—yet it obscures nearly as much as it reveals: What does it mean to label a lifelong friend as an ‘informant’? How seriously, despite my most earnest efforts, did such friends, acquaintances, and neighbors take my ‘new’ role as researcher—did I always remain “one of we?” Did these ‘subjects’ remain ‘informants’ on joint family vacations? During late-night phone calls? Or, when they were completely unable to understand me as anything other than a ‘native Crucian,’ necessarily opposed to the ‘others’ brought to ‘our’ island by a development program?

The divisions between ‘self’ and ‘other,’ ‘researcher’ and ‘informant,’ and even— with the combination of new technologies like social networking websites with longstanding anthropological realities like the determination of some informants to

demand favors long after the conclusion of formal fieldwork—‘then’ and ‘now’ become, if not completely indistinct, increasingly faint. Certainly these questions are not new. Anthropologists have grappled with them since the birth of the discipline—but perhaps no amount of training, of reading the accounts of others, is sufficient preparation for the mix of calculatedly professional and intensely personal experiences that characterize fieldwork. As the EDC is both old and new (it is a dynamic, and ‘new’ program—yet for some on the island it seems merely the most recent iteration of long-operating processes), so too are these struggles with fieldwork. It is important here that I make one final disclosure about the relationship between researcher and research by way of explaining the origins of this project: In 2003, shortly after graduating from a liberal-arts college on the mainland US (or in ‘the States,’ it is known on the island), I returned home to St. Croix and, after awhile, began looking for a job. Having recently earned a bachelor’s degree in cultural anthropology, I found my search for work difficult at first. However, after a few weeks, a friend who had attended the same (private) high school as I suggested I apply for “an EDC job.” When I explained that I knew nearly nothing about economics or finance he told me that that would not matter, as companies were simply looking for “the right kind of local” to meet their hiring requirements. Following his advice, I prepared my résumé, and in the space of one week was offered two EDC jobs. Six years later, many of my former fellow job seekers—presumably not “the right kind of local”—remain unable to even secure interviews in this well-paying sector.

## **Chapter Outline**

In order to explore the central issues of the EDC program, the remainder of this dissertation is divided into five chapters:

Chapter 2 provides a history of the islands now known as the USVI. Beginning with the long rule of the Danish, this chapter traces the economic and political history of St. Croix, St. Thomas, and St. John, while providing a comparative analysis of European colonialism on neighboring islands. Here I engage with development attempts in the Caribbean over time, addressing the successes and shortfalls that contributed to the turn toward finance-as-development programs, such as the EDC.

Chapter 3 provides an overview of the EDC program. In this chapter, I lay out its history in the US Virgin Islands, connecting the present day EDC initiative to its beginnings in industrialization. Situating the EDC as an instance of the current moment which emphasizes transnational connections and virtuality (Maurer 1997; Comaroff and Comaroff 2000; Sassen 2001; LiPuma and Lee 2004; Grewal 2005; Zaloom 2006), this chapter introduces the frustrated expectations of Crucians vis-à-vis the people and transfers of wealth brought to the island by the EDC program.

Chapter 4 is an engagement with the two companies with which I interned during fieldwork. Firmly rooted in my ethnographic engagement with my fellow workers, this

chapter introduces the ambivalent position occupied by Crucian women working at EDCs: both envied and maligned, these workers negotiate the expectations of their employers, their parents, and their fellow Crucians while exercising their enhanced spending power and social capital. This chapter also explores the tenuous nature of these women's EDC privilege, as it is set against the backdrop of Stanford Financial's indictment on charges of fraud by the US federal government.

Chapter 5 examines the relationship between 'EDC people' and the broader community of St. Croix. This chapter is an analysis of the ever-shifting us/them binary between 'EDC people' and Crucians, as well as Crucians and migrants from neighboring Caribbean islands. A central focus of this chapter will be attempting to answer the question, "how do Crucians understand the presence of these 'Others'?" This question necessitates a discussion of the escalation of racially-charged violence on the island as well as the renewed emphasis on indigeneity in the form of calls to identify 'native' Virgin Islanders. These developments have been noted elsewhere by scholars theorizing the unforeseen outcomes of increasingly-global processes (Geschiere and Nyamnjoh 2000; Geschiere 2009; Starn 2007), particularly racialization in globalization (Hall 1996; Holt 2000; Winant 2001; Clarke and Thomas 2006).

Chapter 6 is an explicit engagement with the central issue of gender vis-à-vis the EDC program. This section examines the gendered expectations governing the behavior of 'EDC wives' and 'EDC girls.' The latter, a group of local women who have

contributed to the creation of a new social category on St. Croix, are expected to dress, act, and dispose of their generous salaries both conspicuously and in ways that benefit the broader community of St. Croix (for instance, on expensive clothing and cars). In contrast, the ‘EDC wife,’ marks a new category of subjectivity that refers to the wives of EDC business owners who have largely dedicated themselves to charitable giving on the island, often confounding the efforts of local nonprofit organizations. These emergent identities are central to my dissertation, as they demonstrate the complicated relationships between gender, capital, and processes of subject-formation in the current moment.

Taken together, these chapters situate St. Croix in the long history of Caribbean development and contextualize the EDC program in the current moment of globalization. Bridging the positions of disenfranchised Crucians who object to the EDC as a return to white domination in the model of slavery, and program supporters who understand it as a radical break with the past and a step toward ‘progress,’ this dissertation argues that the EDC program on St. Croix contains elements of both: it is a program made possible by circulations of unprecedented speed and scale, yet is one that is rooted in historically-informed hierarchies and circulations. It is this complexity, the ability of the EDC program to simultaneously conjure up the past and the future, that I explore in the chapters that follow.



## 2. Caribbean Development

*“The modern Caribbean rests on the bedrock of three formidable institutions: colonialism, the plantation system, and slavery...The defining feature of colonial rule and the plantation system in the Caribbean was slavery” (Richard Hillman and Thomas D’Agostino in Understanding the Contemporary Caribbean).*

The Caribbean has long been noted as a model of modernity. While scholars have critiqued the unproblematic taking-up of Caribbean societies as both historical and contemporary centers of global mixing (notably Khan 2001), the dominant understanding of the region has long recognized that its early cosmopolitanism—an urbanity that was part-and-parcel of the international meetings of ideas and people as a result of the transatlantic slave trade, as well as the related plantation-based production of sugar that served as the basis of prosperity for most Caribbean islands during this period (see especially Mintz 1985). It is difficult to overstate the impact of the slave trade across the Caribbean; in addition to its qualitative impact (that is, the social and ideological orientations originating under this system that have left as their legacy “a politically fragmented society, sharply divided along racial, ethnic, and gender lines” Deere 1990: 12), the sheer volume of human cargo that circulated through the region is staggering. Deere (1990) writes, “it is estimated that the Caribbean received 47% of the 10 million African slaves brought to the Americas” (8). In addition to being crucial to any understanding of the transatlantic slave trade, the overwhelming number of slaves in the

Caribbean also had an enormous impact in the region, as slaves greatly outnumbered whites on many islands. On St. John, for example, the “establishment of plantations [began] in 1717, by which time there were eight times as many blacks as whites in a population of over 4,000” (Harrigan and Varlack 1977: 388), while on St. Thomas slaves “comprised one-third of the total population, outnumbering whites 336 to 225 in 1733” (*ibid*)—a ratio that contributed to a high degree of tension, and often fear, on the part of planters and their families. In the Danish West Indies, the ratio was of particular concern for white residents, and the colonial population attempted to shore up their numbers with indentured servants. As was the case on many Caribbean islands, however, this system failed.<sup>1</sup>

If white slave owners living in the Caribbean were concerned about slave rebellions, uprisings which would have been very possible given the numerical imbalance, these fears did not dissuade them from engaging in slave labor and trading. The production of sugar through plantation agriculture was a particularly profitable endeavor, and there was much interest on the part of European powers in entering this market. Of the countries that participated in the trading of slaves and plantation agriculture in the Caribbean, the most numerically significant were the British, Dutch, French, and Spanish. In addition to these, the Danish also owned both islands and persons

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<sup>1</sup> “From the outset, Danish colonization in the West Indies was characterized by the paucity of a Danish colonial population...In the absence of a sufficiently large indigenous Amerindian population, Denmark sought to resolve the colonial manpower problem in the approved manner of the 1630s and 1640s. But Danish indentured servants, the ‘servingers’ sent out to St. Thomas as plantation labor and militia footmen, suffered high mortality rates...As for the British and French, the Danish flirtation with indentured labor lasted well into the 18<sup>th</sup> century, but long before then the indenture system as a mechanism for affixing an imperial presence in the West Indies was a certifiable failure” (Hall 1992: 6).

in the Caribbean. The Danes, however, entered these markets rather late and on a much smaller scale: the Danish “empire,” consisting of St. Croix, St. Thomas, and St. John, is often described as “Lilliputian,”<sup>2</sup> and began with the colonization of St. Thomas in 1671:

The kingdom of Denmark, with its satellite Norway, was one of the European powers that attempted to create and sustain a Caribbean empire beginning in the later seventeenth century. In comparative terms, Denmark was a relatively late entrant in the scramble for colonies and, since it was not a European power of the first rank, its authority as colonizer was continuously compromised. Its colonization of St. Thomas, beginning in 1671, and of St. John in 1717, occurred at a time when England, France, and Holland had long since broken Spain’s monopoly of the region and were consolidating their New World gains. Denmark’s choice was limited in the extreme. Its acquisition of St. Thomas and St. John was determined not by choice but by lack of feasible alternatives. St. Croix, bought from France in 1733, completed Denmark’s West Indian empire and the purchase had the dubious distinction of bringing to a close the first century of non-Hispanic colonization of the Caribbean (Hall 1992: 1).

While Denmark’s colonial ambitions may not have been as far-reaching as those of its peers, the fact remains that the country did participate in both the trading of slaves

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<sup>2</sup> For example, see Lewis 1972. Also, Svalesen 2000: “The Danish king in the 1700s ruled over a worldwide Lilliputian empire. Denmark-Norway never became a colonial power of international importance. [Its] possessions in Asia and Africa were only small trading posts, open on the basis of rental and trading agreements with the local authorities. Only the three West Indian islands were real colonies, and they were of the most modest size” (8).

and colonial domination in the Caribbean. In recounting his discovery of the sunken Danish slave ship, the *Fredensborg*, Leif Svalesen (2000) notes that “altogether the Danish-Norwegian ships carried approximately 85,000 African slaves over the Atlantic, while the Danish forts on the Gold Coast sold another 15,000 slaves who were transported on other nations’ ships” (Svalesen 2000: 9).

Despite the limits of Denmark’s empire, their method of colonial rule receives frequent mention in literature on colonialism in the Caribbean due to its ostensible ‘leniency.’ While ‘lenient’ seems to be the general assessment of the *type* of Danish rule, the issue of *degree* remains a matter of debate. For instance, in his 1950 work on the Virgin Islands, Jens Larsen writes that “cruelty toward slaves in the Danish West Indies was not at all common except in the case of rebellions and even then was similar to that inflicted in Europe upon offenders against criminal laws” (Larsen 1950: 59-60). However, in his analysis of Danish colonialism, Gordon Lewis (1972) takes issue with what he understands as this overly-generous assessment, writing:

Much has been made of the liberal quality of Danish rule. To some extent, that was so. Denmark was the first European nation to abolish the slave trade.<sup>3</sup> Danish official policy actively fostered the social elevation of the free colored elements, even going so far, in the remarkable royal edict of 1831, as to permit the legal

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<sup>3</sup> Importantly, abolition of the slave trade was not synonymous with the abolition of slavery in the DWI, as “the 18<sup>th</sup> century was a period of almost unvaryingly upward growth in the number of slaves, coincident with Denmark’s decision in 1792 to abolish the transatlantic slave trade in 1802 and with consequent feverish importations during the ten-year grace period” (Hall 1992: 3). While Denmark may have been the first European nation to abolish the trading of slaves, other European powers followed suit thereafter: in the British Caribbean in 1807; the Dutch Caribbean in 1814; the French Caribbean in 1817.

registration of colored persons as white citizens, on the basis of good conduct and social standing. From this legislation there no doubt rises the dominating influence of the concept of social color in the communal psychology of Virgin Islanders today (Lewis 1972: 28-29).

The related issues of class and ‘social color’<sup>4</sup> will be important throughout my work as this tripartite system of race—white, colored, and black—remains significant and continues to inform social relations and opportunities in the Virgin Islands and throughout the Caribbean today. The above excerpt from Lewis also draws attention to the Danes’ somewhat-progressive colonial policies<sup>5</sup>—while at the same time insisting on taking seriously the role played by Denmark in the overall European project in the Caribbean, rather than as a trivial interloper, as is often the case in work on Danish colonialism.<sup>6</sup>

If one takes the Danish colonial presence seriously, despite its late arrival and minimal dominion, it becomes possible to contrast Denmark’s colonial project with that of other European nations. For instance, while Denmark shared the project of plantation agriculture with its fellow colonial powers, its primary concern was trading—

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<sup>4</sup>Detailing this unique colonial policy, Isaac Dookhan notes that “the governor-general was empowered to classify colored persons as whites where free persons color, of both sexes, assimilate in color to the whites, and they otherwise, by a cultivated mind and good conduct render themselves deserving to stand, according to their rank and station in life, on an equal footing with the white inhabitants” (Dookhan 1974: 147). Remarkably, however, slaves continued to outnumber whites in the Virgin Islands despite this edict: “even after freedmen obtained their civil liberties and were enumerated with whites in the free category, slaves never lost their numerical superiority within the population as a whole until the termination of slavery” (Hall 1972: 3).

<sup>5</sup> In their seminal work on Virgin Islands history, Harrigan and Varlack (1977: 388) also note the singularity of this Danish policy, writing that “the Danes attempted to be less ruthless than some other colonial powers (for example, nothing could raise blacks to the status of human beings in the eyes of the English and the Dutch).”

<sup>6</sup> For instance, Hall (1972) writes that “as a minor colonial power, Denmark was unable to conduct its imperial affairs with the aggressive assurance of the British or the French” (6).

particularly in the port city of Charlotte Amalie on St. Thomas. Tracing the history of the Danish presence in the Virgin Islands, Lewis (1972) writes:

The story of the foundation of the Danish West Indian Company after 1671, stimulated by the successes of the West Indian exploits of private Danish adventurers in the 1600s, makes it plain beyond doubt that Danish tropical colonization was seen by the court officials and burgher-shareholders who sponsored it as a purely capitalist venture, to be run for profit only and based upon the emergent triangular system of Guinea slave trade, the West Indian plantation economy, and the controlling Copenhagen import-export emporium. There were present none of the motives of military conquest and religious proselytization that characterized Spanish operations in the Hispanic seaborne empire (5).

The Dutch shared this outlook with the Danes, and both “differed from the British and French in their goals in the West Indies because they were interested in primarily trading rather than settlement. Unlike the Dutch [and Danish], the British and French engaged vigorously in colonization” (Hillman & D’Agostino 2003: 34). These varying approaches to the colonial project—trading versus settlement—impacted the ways in which social roles were understood and experienced across Caribbean colonies. In terms of gender, the ideological agenda of a metropole had a substantial effect on the way life was lived on island-colonies: for instance, “in the British Caribbean, slavery established the importance of women as workers and providers, which was not seen as incompatible

with their reproductive roles as wives and mothers, as it was in the Hispanic Caribbean” (Deere 1990: 10). The Danish West Indies (DWI) followed the British model, with women working alongside men as slaves both in the fields and in the owners’ homes on plantations.

While the Danish West Indies existed in extremely close proximity to the Spanish-ruled colony of Puerto Rico, the way in which these colonial societies were governed differed greatly. As a result of the Danish colonial project, “a new class of Creole planter-capitalists [became] a solid phalanx of West India gentry” (Lewis 1972: 7) in the DWI. This allowed “St. Thomas and St. Croix, and to a lesser degree St. John, [to] become open societies...in contrast to the closed society of Puerto Rico where the nascent [local] shopkeeping class was prevented by Spanish exclusivism from becoming a powerful capitalist group. Its St. Thomas counterpart, on the other hand, soon became the foundation of the old commercial houses, many of whose lineal successors still flourish there” (*ibid*: 7).

### **Intra-Territorial Divisions: St. Croix vs. St. Thomas**

*“The complexity of Virgin Islands life was made even more complex by the geographical bifurcation of the islands...there persists up to the present time a real sense of separatism, even mutual disdain, between St. Thomas and St. Croix,*

*and most natives consider themselves Crucians or St. Thomians rather than Virgin Islanders” (Lewis 1974: 27).*

If daily life was different in the Hispanic Caribbean from that in the Danish West Indies, wide variations could be found even on islands under the same European flag. Differences between St. Croix and St. Thomas, for instance, were broad and far-reaching. As a result of its favorable geographic location, St. Thomas functioned as a major port city in the region—a place through which many of the goods circulating through the Caribbean would pass.<sup>7</sup> Additionally, St. Thomas’ major city of Charlotte Amalie was the principal refueling point for many vessels and city has maintained its importance, with Charlotte Amalie serving as the present-day capital of the US Virgin Islands. Pointing to the centrality of St. Thomas as a major port city, Dookhan notes that the Danish West Indian Company was operated from Copenhagen until October 1915, when the headquarters were moved to St. Thomas, as “the Company has ambitious plans to make the island the best equipped port in the Caribbean” (Dookhan 1974: 236).

St. Croix, on the other hand, with its wide expanses of flat, arable land—something the rugged landscape of St. Thomas lacked—functioned as the agricultural center of the DWI, producing cotton and sugar. In fact, “one of the main reasons for the colonization of St. John was the limited agricultural potential of St. Thomas.” Over 60

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<sup>7</sup> Dookhan (1974) writes, “St. Thomas has been rather aptly described as the place which is on the way to every other place. The strategic position of the Virgin Islands was enhanced by their proximity to the traditional points of entry into and departure from the West Indies of ships from North America and Europe” (Dookhan 1974: 1). Further, “since the freight market was concentrated in St. Thomas, ships seeking cargoes had to stop here to get in touch with their owners. St. Thomas had a large, commodious and deep harbor around which Charlotte Amalie the capital was built. It could accommodate many large ships and had the reputation of offering adequate shelter against the ravages of hurricanes” (Dookhan 1974: 220).



years later, in 1733, “the same reason dominated the Danish acquisition of St. Croix” (Dookhan 1974: 42). These differences in geographic and economic orientation had important consequences for slaves, as “St. Thomas blacks [were] in a somewhat more fortunate position due the commercial prosperity of the island which afforded less burdensome labor around the dock as an alternative to plantation toil” (Harrigan & Varlack 1977: 393). Noting these differing experiences of slavery, Lewis argues that “profound differences of social attitude were born out of difference of economic structure. The Negro on St. Thomas was urbanized, while his Crucian counterpart was a slave tied to the land. The result was an enlarged self-respect, a vigorous individualism, a self-confidence, all of them well-known components of urbanized lifestyles. By contrast, the Crucian worker was ruled by a planter class with more seignoral attitudes. The history of Danish West Indian slave rebellions, consequently, is the history of St. Croix and St. John.”<sup>8</sup> Put differently, “what saved St. Thomas from the disasters [of slave rebellions] was the fact that it very early became a trading community rather than a plantation economy, turning away from the land to the sea, which made survival easier” (Lewis 1972: 9-28). While Lewis’ insights on the differing experiences of Crucians and St. Thomians are productive, it is important here that I complicate the direct relationship he posits between the urbanity of St. Thomas and the personality of its residents. This linking of place to a corresponding personality is problematic as it essentializes identity

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<sup>8</sup> In her work on St. John, Karen Fog Olwig (1985) argues that the limited cultivation opportunities on this tiny island led to slave conditions so abject that slave owners were forced to improve them: “With plantation cultivation only marginally profitable [on St. John], the slaves sometimes fared miserably and eventually their numbers diminished. Not until the decimation of the labor force threatened to curtail plantation production and thus to weaken the island’s economy did the colonial government, prompted also by the development on the larger plantation island of St. Thomas, begin to take a more serious interest in the well-being of the slaves” (Olwig 1985: 15).

as the end product of geography and occupation. Describing slave uprisings in the Danish West Indies, Dookhan notes that “slave revolts were rare in the Virgin Islands, with only two serious ones actually taking place, the first in St. John in 1733 and the second in St. Croix 1848. St. Thomas escaped slave revolts largely because of the relatively short duration of plantation agriculture, and the emphasis on trade. Compared with plantation labor, slave occupations associated with trade were not as exacting and did not involve as much cruel treatment” (Dookhan 1974: 165).

### **Slave Uprisings in the DWI and the US Purchase**

Denmark’s distinction as the first European nation to abolish the slave trade did not mean an immediate end to slavery in the DWI, as freedom for those already in bondage was to be deferred for some years. However, “having no intention of waiting...years for a life so many others were enjoying (including their own children), the slaves in St. Croix took matters into their own hands,” (Harrigan and Varlack 1977: 391) and rose up against the white Danes holding them captive. The major slave rebellion on St. Croix occurred on July 3, 1848, and was led by a slave named Moses Gottlieb, known on the island as General Buddhoe: “Armed with sticks and cutlasses, [slaves] marched some 2,000 strong on Fort Frederik and demanded their freedom” (*ibid*). This event ultimately forced then-Governor Peter von Scholten to declare an end to slavery in the DWI. Despite this successful uprising and the abolition of slavery, former slaves were still forced to work for pitifully small sums of money and, as a result, rebelled against the

Danish once more in 1878 during the ‘Fireburn’ (or ‘Contract Day’) uprising, in which workers—led by a slave woman known as ‘Queen’ Mary<sup>9</sup>—burned down plantations across the island and demanded fair pay for their labor.

If St. Thomas’ early and frequent exposure to international traders and sailors contributed to an improved standard of living for slaves on that island, the lucrative production of sugar on St. Croix and St. John—and attendant harsh conditions—led to these major slave rebellions. In fact, these early differences continue to have implications on these islands today, with St. Thomas being generally viewed as more ‘progressive’ and ‘business/tourist friendly’ than St. Croix. This assumption of St. Thomas’ urbanity and cosmopolitanism relative to St. Croix has contributed to that island’s position as a regular stop for many major cruise lines today. Conversely, St. Croix has continued to rely on its agricultural capabilities and has comparatively little tourism of which to speak. Thus, St. Thomas’ early experience with a transitory trading community is connected to that island’s insertion into global circulations<sup>10</sup> to a degree that St. Croix—an island that

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<sup>9</sup> There is a rich history of female-led slave resistance in the Caribbean, including the well-known Nanny of the Maroons in Jamaica. Drawing heavily on the work of historian Barbara Bush, Hillman and D’Agostino write, “Women on a daily basis caused more trouble than the men. According to contemporary histories written by men, few women seem to have taken part in the uprisings that plagued the Caribbean during the days of slavery. Yet as Bush suggests, the absence of the names of female slaves from official records and contemporary accounts of slave uprisings and conspiracies does not constitute proof that they played no active part. Nanny, the legendary Jamaican windward maroon, provides an example of the role women played in their battle for freedom from slavery in the region” (Hillman & D’Agostino 2003: 245). Other scholars have also drawn attention to the central roles played by women during slave rebellions (see Beckles 1989; Mathurin 1995; Sheller 1998). Focusing his attention to the case of the Virgin Islands, Lewis argues that “the Virgins woman has managed to penetrate areas and institutions that elsewhere in the Caribbean are still male preserves. It is not easy to forget that two of the most famous riots in the islands’ history were led by women” (Lewis 1972: 242).

<sup>10</sup> Describing this relationship between St. Thomas’ role as a trading center during slavery and its position as a regular port of call for many cruise ships, Dookhan writes: “connecting links can be noted between the entrepot trade of St. Thomas in the 17<sup>th</sup> and 18<sup>th</sup> centuries and the free port of today, between the tourists who came on the 19<sup>th</sup> century packet lines and those who come by cruise ship and air today. Charlotte Amalie and its waterfront is a happy mixture of the old and the new. There are centuries-old warehouses with the thick brick walls, wide doors, and wrought iron grills which once contained hogsheads of sugar, puncheons of rum, prize cargoes brought in by privateers, and assortments of European trade goods. These structures have been converted into retail shops which display luxury wares from all corners of the globe and draw thousands of shoppers daily during the tourist season” (Dookhan 1974: Introduction).

has maintained its image as fiery and rebellious—often is not. This reading is frequently encouraged by Crucians, and the island has many locations that reference its history of slave resistance, such as ‘Emancipation Drive’ and ‘Queen Mary Highway’ (this is particularly the case in the town of Frederiksted, the home of the largest slave uprising in the DWI and now commonly referred to as ‘Freedom City’). The Frederiksted post office, in fact, prominently features an oversized oil painting depicting a mob of slave women with lighted torches—an image that is difficult to imagine on similar display on St. Thomas:



**Figure 1: Oil Painting of 'Fireburn' Slave Uprising**

As the lived experience of slavery varied within the DWI, allowing greater occupational flexibility on St. Thomas than was available on either St. Croix or St. John, so too varied the reasons for the economic decline that would befall all three. While slave revolts on St. Croix and, to a lesser extent St. John, would eventually lead to

emancipation from slavery—a development that had serious consequences for economies based on plantation agriculture—the advent of maritime technology would have a negative impact on the economy of St. Thomas:<sup>11</sup> “The principal cause of [St. Thomas’ declining importance] was the rise of modern transportation facilities which rendered the free neutral harbor of St. Thomas of less importance than before. St. Thomas slowly ceased to be the commercial emporium of the Antilles” (Jensen 1950: 211). It is worth noting that while the end of slave labor in DWI had much to do with the economic turmoil in which St. Croix and St. John found themselves in 19<sup>th</sup> century, technological developments also played a role on these islands:

Unlike St. Thomas, the economy of St. Croix and of St. John was based generally on agriculture and more specifically on sugar production. Economic decline in these islands which had set in before emancipation became even more severe after 1848. Growing competition from beet sugar was one important cause of the continued decline of the sugar industry since it led to a disastrous fall in the price of cane sugar (Dookhan 1974: 222).

Making this point clear, Larsen (1950) writes that “sugar was affected by a change in the world market, due mainly to the development of a process discovered of making sugar from beets...In 1796 there were on St. Thomas 5 windmills and 144

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<sup>11</sup> Lewis points to the negative impact shipping technology had on the economy on St. Thomas, writing that the importance of this island declined as a result of “technological advances in maritime transportation, changes in routes of ocean traffic, growing use of fuel oil, [and the] advent of radio communication” (Lewis 1972: 121).

treadmills; on St. Croix, 114 windmills and 144 treadmills. By 1852 there were 40 steam propelled sugar mills on St. Croix. In 1908, there was but a single sugar mill upon each of the islands on St. Thomas and St. John, and only the St. Croix mill was in operation” (Larsen 1950: 212). In addition to these causes, the economic turmoil in the DWI and throughout the Caribbean came as a result of financial shortfalls in Europe, caused by decreased production across the region following the success of the Haitian Revolution. As a result of these factors, then, the economies of all three islands in the DWI were in peril in the 19<sup>th</sup> century.<sup>12</sup> It is under these conditions that the United States became involved in these islands. After unsuccessfully attempting to divest of them through a treaty with the United States in 1902,<sup>13</sup> the Danish sold the islands of St. Croix, St. Thomas, and St. John to the United States in 1917.<sup>14</sup>

The post-emancipation era from 1848 to 1917 constituted a difficult period for the peoples of the Virgin Islands as both ex-slaves and ex-slave owners sought to adjust to the new labor situation created by emancipation. Social instability was accompanied by economic dislocation: the economy of the islands based on the twin pillars of commerce in St. Thomas and agriculture in St. Croix experienced

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<sup>12</sup> The Danish did attempt to stabilize the sugar economy on these islands through peasant cultivation, however it was largely unsuccessful: “In order to achieve the dual goals of community stability and agricultural production, the parceling-out system was adopted; It involved the subdivision of plantations or parts of plantations and their sale to those laborers who wishes to establish themselves as peasant proprietors. The policy seems to have been applied to all three islands...though it acquired greater significance in St. Croix.” Sellers participated in this program largely as a result of falling land values which declined after emancipation. Prices fell “to such an extent that the total plantation wealth of St. Croix, which was estimated at \$2.9 million in 1851 had been halved by 1870” (Dookhan 1974:233).

<sup>13</sup> Regarding this failed treaty, Dookhan (1974) writes, “unsatisfactory economic conditions in the islands went far to induce the Danish government to enter into treaty negotiations in 1902 for the transfer of the islands to the US” (235).

<sup>14</sup> The sale took place during World War I, and it was seen as advantageous for the United States to have an outpost in the Caribbean. While the islands were purchased by the US in 1917, it was not until 1927 that islanders were granted the status of American citizens. Initially, the US Navy administered the islands, and it was not until 1931 that they were transferred to the jurisdiction of the Department of the Interior (see Harrigan and Varlack 1977).

almost continuous decline despite the measures adopted to counteract it. A direct consequence was that the islands lost their value as colonial possessions, and the desire was created and sustained to dispose of them” (Dookhan 1974: 240)

The purchase of these islands fits in with the broader history of US domination, as the country sought to expand its holdings, given the prosperity it experienced in Puerto Rico, the Dominican Republic, and Cuba at the end of the 19<sup>th</sup> Century. With the purchase of the former DWI, the United States owned what Harrigan and Varlack refer to as its ‘first black colony.’ In their 1970s work, these authors argue for the particularity of the Virgin Islands as a ‘black’ possession of the US: “The United States had become a colonial power several decades earlier (the Philippines, Puerto Rico, and Guam were ceded by Spain in 1898; Hawaii became a territory in 1900), but the traditional ‘white man’s burden’ had assumed another dimension with the purchase of the Virgin Islands—a black colony. And while it is true that blacks were a depressed and despised minority in several states of the Union, America had neither previous experience nor adequate preparation to deal with the task involved in the new undertaking” (Harrigan and Varlack 1977: 394).<sup>15</sup>

### **Becoming American: Adapting to a US Racial Hierarchy**

*“The shift from Danish to American meant changes in [many] sectors of life, particularly in the areas of color relationships and education. The expansion of*

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<sup>15</sup> Similar racial shifts occurred in other island-colonies, such the Dominican Republic (see Pons 1998) and Trinidad and Tobago (Neptune 2007).

*middle-sector opportunities in the economy created an enlarged middle class whose members were the fruit of the first generation of American-style schooling...This period witnessed, then, a distinctly visible change in the social and racial complexion [on the islands]" (Lewis 1972: 114).*

The implications of this sale on race relations on the islands were made even more marked by the contextually-progressive attitudes and policies instituted by the Danes. As previously noted, the Danish allowed ‘well-behaved’ blacks to officially register as white on the island—“the Americans, then, entered a society which for a long period was without any official recognition of race, and in which an aristocracy of mixed blood, high social status, and considerable wealth called the tune” (Harrigan and Varlack 1977: 395). The complexity of race in the DWI was further increased by the fact that the “Danish West Indian Company [delegated] administrative, legislative, and judicial powers into Creole hands” from the beginning of Danish rule (Lewis 1972: 7). The Americans, the new owners of the islands—now known as the United States Virgin Islands (USVI)—entered this tangled classification system that took into account class/color/behavior<sup>16</sup> while firmly in the midst of its Jim Crow era.

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<sup>16</sup> This complex relationship between race and class was hardly unique to these islands. Lewis (1974) writes that “what 19<sup>th</sup> century observers reported was a highly stratified society based on caste and color...The usual West Indian scheme of the small white European class at the top, the mulatto from colored in the middle, and the Negro freedmen and slaves at the bottom repeated itself, with the usual numerical imbalance” (26). While common, this system of racial relations was not appreciated by all. Lewis goes on to lambast wealthy blacks (or ‘coloreds’) who did not advocate on behalf of poorer blacks, arguing that “social snobbery...supplanted racial brotherhood, and the Virgin Islands’ free coloreds, like their counterparts elsewhere in the Caribbean, became known as a group given more to lavish social display than radical mental activity” (Lewis 1972: 29).



Despite the radical clash of ideology between the Danish and the new owners concerning race, the Americans sought to improve both the economy and the standard of living in the USVI through such measures as social welfare programs and the introduction of American-style schools.<sup>17</sup> Unfortunately, many of these social improvement measures were unsuccessful as the “1920s were marked by depression. Unfavorable weather conditions, climaxed by the hurricanes of 1924 and 1928, and a drop in the price of sugar, were major drawbacks to agriculture in the Virgin Islands. The situation was made worse by the world economic depression in the years 1929 to 1932” (Dookhan 1974: 270). Beginning with the advent of new shipping and agricultural technology, the economy of St. Croix, St. Thomas and St. John entered into decline and deteriorated to such a point that “by 1931 they [were] referred to as the ‘effective poorhouse’ of the United States by President Herbert Hoover after a visit to the islands in March 1931” (Dookhan: 1974: 271).

### **Stimulating Economies: Divergent Strategies Across the USVI**

*From a slave-labor-based plantation society cultivating export crops for the benefit primarily of European economic interests, [St. John] changed to a peasant society based on a subsistence economy functioning without much interference from the colonial system and more recently to a tourism society based on*

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<sup>17</sup> Schools were not an entirely new presence in these islands, as the Danish government, “in keeping with its relative benevolence” established four public schools for the education of blacks in 1787. Under American rule, however, the number of schools increased and their curriculum became standardized (see Harrigan & Varlack 1977: 390).

*providing services to vacationers from far away and an economy developed with capital from the United States (Olwig 1985: 2).*

Given the continually depressed economies on these islands—particularly St. Croix—as well as their varied natural resources, the Americans, much like the Danish, employed a two-pronged approach in the Virgin Islands, focusing on tourism on St. Thomas, and agriculture (homesteading) on St. Croix. Regarding the latter, the Americans focused on “the acquisition of land through Federal appropriations... The homesteading program embraced a home-building project to enable people to live on their plots. In order to administer the homestead program and overall economic development, the Virgin Islands Company was chartered on April 9, 1934. The general plan was for the Company to promote industrial development through the acquisition and cultivation of abandoned land, to provide employment opportunities for the people, and to assist peasant farmers in whatever ways necessary” (Dookhan 1974: 272). While this focus on industrial development as the route to economic prosperity is a recurring theme both in the Virgin Islands and throughout the Caribbean, the Americans broadened their approach on St. Thomas, spending their early presence on that island promoting tourism, “construct[ing] hotel facilities to add to the only two existing hotels, the Grand Hotel and the American Hotel, which were inadequate to accommodate tourists. In 1933, the Bluebeard Castle plantation was purchased and a twenty-room hotel was constructed at a cost of \$101,750” (Dookhan 1974: 273). This focus on tourism—and away from agriculture—on St. Thomas “began in earnest in the early 1950s [and an] upsurge

followed expanded promotional efforts especially after 1952 with the creation of the Tourist Development Board and the production of an annual carnival. The result was a tenfold increase in tourism during that decade” (*ibid*). After the Cuban Revolution in 1959 and the closing of Cuba to tourists, tourism in the Virgins Islands significantly increased, going “from 16,000 in 1949 to 164,000 in 1959 and to 1,122,317 in 1969” (Dookhan 1974: 286). Harrigan and Varlack (1977), too, note that post-World War II “expansion and diversification of agriculture on St. Croix and the establishment of new industry were initiated, aided by tax exemptions and industrial subsidies. But the greatest focus was put on tourism, since the potential of the islands as a vacation retreat for escaping Americans was being increasingly recognized, several former Navy buildings being converted into hotels” (Harrigan and Varlack 1977: 400).

### **Industrialization**

*“Being determined to produce, we must ask ourselves: Production for what? Production to serve what class of life? Economic productivity merely to produce, without an objective of life to guide it, can only lead in this modern world to greed for property and a twisting of the spirit...People do not exist for industrialization. Industrialization exists for the people” (Luis Muñoz Marín, message to the legislature, cited in Maldonado 1997: 77)*

This dual focus on industry and tourism as the drivers of the Virgin Islands economy was representative of the larger moment in development thinking in the region. Deere (1990) points to the centrality of industry post-World War II:

Following the consolidation of a US-centered world order after WWII, and also as a consequence of the nationalist upheavals which swept the region in the 1930's and 1940's, a new framework for economic development became generalized during the 1950's. The essential goal of the new strategies in the various territories was the creation of a modern industrial sector through a process of import substitution. Influenced considerably by the Puerto Rican 'Operation Bootstrap' strategy to lure US capital, 'industrialization by invitation' became the main strategy for economic change. Foreign investors were invited to exploit the reservoir of cheap labor in the region by means of generous tax exemptions and other incentives (Deere 1990: 4).

'Operation Bootstrap' was a development program in Puerto Rico offering generous tax exemptions to American companies willing to relocate to its shores. While it was a watershed program, Operation Bootstrap was not the first time that tax incentives had been used by a Caribbean island to lure investors. In fact, in an attempt to increase the number of white inhabitants in the then-DWI, the Danish West Indian Company "from 1735 onwards made attractive offers of cheap land, generous loans and tax-free

status to planters from nearby islands such as Antigua, St. Kitts and Virgin Gorda, and from islands as far away as Barbados” (Hall 1992: 13).

While Operation Bootstrap program was aided tremendously by Puerto Rico’s status as a US possession, enabling its advocates<sup>18</sup> to market the program as a ‘safe’ and pseudo-domestic move,<sup>19</sup> it is exactly this political relationship that made it difficult for Puerto Rico to protect its local agricultural sector, the industry on which it relied most heavily prior to Operation Bootstrap. Maldonado (1997) writes, “Due to its territorial status, Puerto Rico was unable to impose tariffs to protect potential local industries from US competition, and the overwhelming share of consumption items and capital goods was imported from the US” (128). This relationship of competition engendered by Operation Bootstrap foreshadows the dismantling of trade preferences and creation of programs such as export-processes zones, marking the beginning of Caribbean islands competing against subsidized US products (for example, see Black 2001 on banana farming in Jamaica). Regarding the structure of this program, Deere writes:

Puerto Rico’s government chose an industrialization strategy explicitly designed to integrate Puerto Rico more closely to the US market. Known as ‘Operation Bootstrap,’ the strategy consisted of attracting US investors through tax incentive

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<sup>18</sup> Operation Bootstrap was marketed primarily by Industrial Representatives (IR’s), a “carefully selected corps of salesmen who were mostly young Puerto Ricans with educational and practical experience in business and attracted to public service.” These salesmen “served as the heart of the mainland operation” (Maldonado 1997: 85).

<sup>19</sup> In his analysis of Operation Bootstrap, A.W. Maldonado argues that “as a model for economic development, Puerto Rico was indeed a special case due to its unique political and economic relationship to the US...It was evident that without its unique association to the US, Puerto Rico’s economy would not be much better than those of neighboring Caribbean nations, such as the Dominican Republic, or of the small Central American countries” (Maldonado 1997:225).

schemes to establish manufacturing plants on the island geared to the US market. The foundations of the model rested on the structural advantages Puerto Rico could offer to US manufacturing industries. These included low wages (Puerto Rico's wages were 27% of average US manufacturing wages in the 1950s); selective minimum-wage exemption; generous tax exemptions, including exemptions on US and local corporate income taxes, income taxes on dividends distributed to individuals, municipal taxes, license fees, and property taxes; duty-free access to the US market; geographic proximity to the US and a government infrastructure which enforces and managed the development model (Deere 1990: 129).

The seeming-success of this program (Deere notes that "between 1951 and 1960 the Gross National Product of Puerto Rico grew by an annual real rate of 5.3% as a result of new investment in the manufacturing sector," while Teodoro Moscoso, credited as the architect of the program, testified to the US Finance Committee that "Operation Bootstrap produced one century of economic development in a decade" Maldonado 1997: 230) inspired many Caribbean island-nations to center their economic development around similar industrialization programs, including Trinidad's Aid to Pioneer Industries Ordinance (1950) and Jamaica's Industrial Development Corporation (1952).<sup>20</sup> In 1965, Mexico implemented a slightly different version of industrial development with its

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<sup>20</sup> "By the end of the decade most of the countries that were to later form the Caribbean Community and Common Market (CARICOM) had put in place the requisite legal and infrastructural framework by which 'industrialization by invitation' was to function. The similarity of these programs with Operation Bootstrap was that the expansion of manufacturing took place with the assistance of government subsidies, tax benefits, and government provision of infrastructure; that is, industrialization required active government intervention in the economy" (Deere 1990: 130).

maquiladora program, which focused on “assembly plants producing for export which operate as subsidiaries of multinational corps. [This model] instituted as a policy initiative under the Mexican Border Industrialization Program launched in 1965. While the maquiladora model is closely identified with Mexican export-oriented industrialization and US tariff concessions, in the decade of the 1970s and increasing number of Caribbean countries encouraged US corporations to establish Caribbean subsidiaries, which consisted of assembly plants geared to the export market” (Deere 1990: 143). One major shortcoming of the maquiladora program, from the perspective of the island-nations that hosted these corporations, was that it favored US companies by allowing them to relocate in low-wage areas<sup>21</sup> (an arrangement that was also the case under Operation Bootstrap, as advocates of the program traveled from Puerto Rico to the mainland to successfully lobby for exemption from federal minimum wage guidelines for companies participating in the program). Another issue that has been raised in regard to this program relates to gender: The maquiladora program was, as implied by its name, understood as an exclusively female sector. This identification of industry with women has been widely noted, and there has been much research on the impact of this dynamic, including work on the overwhelming preference for young women in factory work (see especially Safa 1995; Ellis 1995; Yelvington 1995), as they were understood by managers to be more docile, nimble, and submissive to authority than their male

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<sup>21</sup> Deere notes that “as a model of industrial organization, this outward looking development strategy favors US interest by facilitating the location of US multinational corporation processing facilities in low-wage areas, allowing them to maintain the competitive edge. Under such an arrangement there are no foreign aid obligations, as in the Alliance for Progress, or public transfer of funds, as in Operation Bootstrap...Besides government incentives, the other major factor attracting new industries to the region are the low labor costs. For example, garment workers in the Dominican Free Trade Zone earn 47 cents an hour compared to the \$3.35 for their US counterparts” (Deere 1990: 144).

counterparts, as well as analyses that focus on the displacement of women's economic agency in agriculture and handicrafts with the advent of industrialization (see Nash 1983). The ideology surrounding women as 'ideal' workers has shifted over time, as female factory workers during the moment of industrialization were preferred as laborers who could be paid less, given the assumption that they were supported by men and merely earning extra, or 'pin,' money (Enloe 1989). Following the shift away from industry and toward finance and information management, women were preferred laborers, as employers assumed the prevalence of female-headed households in the Caribbean meant that women were more 'stable' and reliable than their male counterparts. What is more, Briggs (2002) has pointed to more startling gendered implications of the industrialization moment in her work on the use of Puerto Rico as a laboratory for experimental birth control measures as a means of population management.

Given the seeming-success of industrialization throughout the region, the US Virgin Islands, and St. Croix in particular, invested heavily in the creation of similar programs. On these islands, industrialization focused primarily on an alumina plant and watch-manufacturing operations, administered through the Industrial Development Commission (IDC). Although the government of the US Virgin Islands attempted to stimulate industrialization through tax exemption in the late 1940s, it was not until 1967 that these companies began relocating to the US Virgin Islands in earnest.<sup>22</sup>

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<sup>22</sup> Dookhan writes, "as early as 1949 legislation was passed providing for designated tax exemption and industrial subsidies for eight years to new industries which qualified with a minimum investment of \$10,000. The Act, however, lay idle...Until 1959 the only attempt to intro an industry was made in 1951 when an experimental button factory was established in St. Thomas. Then in 1959 watch assembly operations were started in the Virgin Islands, utilizing parts imported from various foreign countries. By the mid



Noting the substantial impact of this initiative, Lewis writes that “the importance of these [tax privileges] can be readily appreciated from the fact that in 1964 approximately 9% of 2,400,000 watch movements consumed in the USA were assembled by 11 watch manufacturing plants in the [USVI]” (Lewis 1972: 148). As was the case in Puerto Rico, the economy of the US Virgin Islands seemed to be benefiting greatly from this focus on industry—“by 1960 it was considered that the islands were at, or close to, the peak of an era of unprecedented prosperity. The philosophy of growth had become a virtual obsession, and the following 8 years...saw the updating of incentive legislation, the creation of a Department of Commerce to attract business to the islands, and the introduction of heavy industry” including Harvey Aluminum and Hess Oil Refinery into St. Croix (Harrigan and Varlack 1977: 401). This increased prosperity in the USVI reflected that of the region as the “1960’s and early 1970’s [were a moment] of relative prosperity because of the expansion of production and the high price of raw materials such as bauxite and petroleum [the principle exports of Jamaica and Trinidad,<sup>23</sup> respectively], and sugar for a brief period. Second, to the growth of tourism. Third, to accelerated migration” (Deere 1990: 5).

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1960s production had jumped to 4.5 million units despite the shortage of skilled labor, and by 1967, sixteen watch companies were located in the Virgin Islands” (Dookhan 1974: 287).

<sup>23</sup> The economic significance of these exports is tremendous: “the exportation of bauxite and alumina provides for almost 60% of Jamaica’s exports by value, representing the single most important element in the island’s economy. Trinidad is the only island in the Caribbean to have significant reserves of oil and natural gas. Its oil and gas industry provides for almost 80% of the value of its exports and supplies jobs for approximately 20,000 people” (Hillman & D’Agostino 2003: 46).

Given the popularity of industrialization programs in the Caribbean, it is particularly important to assess their outcomes in context. While a quick glance suggests industrialization as a success (as noted above), a more nuanced reading reveals the serious shortcomings of this model—including those of Operation Bootstrap, the initiative on which many such programs were based:

Since the 1950's the [Virgin Islands'] economy has increasingly turned first to organized tourism and second to incentive-based industrialization after the Puerto Rican style. Both of these enterprises, however, are notoriously hazardous as foundations for permanent prosperity to replace the old agricultural and trading economy...Even the success of such a program, paradoxically, may prove harmful, for, based as it is on expatriate capital, it tends to repeat all of the traditional features of the West Indian sugar structure: a structure of local demand shaped by expatriate needs; the destruction of industry, as can be seen in the disappearance of the St. Thomas handicraft industry; and the growth of absentee landlordism under a new guise, in which the outsider shareholder replaces the colonial planter. All of those features are already far advanced in the Puerto Rican situation; it is ironic that the Virgin Islands seek to emulate 'Operation Bootstrap' at the moment when the Puerto Rican planners themselves have begun to be aware of the massive alienation of the local economic patrimony that it has entailed" (Lewis 1972: 16-17).

Deere, too, stresses the shortcomings of foreign industrial investment vis-à-vis island economies: “For the most part, these industries were relatively capital-intensive, depended on the import of raw materials and machinery, and developed few linkages with other sectors of the local economy. Thus, not only did the emerging industrial sector develop as a modern enclave with few linkages to the local economy, but the pattern of industrialization, by virtue of its primary reliance on foreign capital, served to reinforce foreign control over local economic activity” (Deere 1990: 4).

Beyond what might be dismissed as cultural nationalist objections, there are other analyses that point clearly to systematic failures of the industrialization model to achieve economic stability throughout the Caribbean region as well as the ‘hidden costs’ of such programs, including rising unemployment, forced migration, and deepening social inequalities:

Behind the glowing figures [of Operation Bootstrap], lay a different reality.

Puerto Rico’s rapid industrialization was accompanied not by rising employment, but by relentlessly rising unemployment. Official unemployment stood at around 12% in the mid-1960’s; by 1975 it had risen to 20%, and this was considered an underestimation of true joblessness. Over this same period, and especially after 1970, Puerto Rico became heavily dependent on subsidies from the US federal budget. These subsidies, which stood at US\$119 million per year in 1950, soared to US\$3.1 billion per year in 1979. Contrary to the self-reliance its name implied,

the Bootstrap model made Puerto Rico dependent on foreign capital. This capital became increasingly mobile as the transnational corporations extended their operations around the globe. The result was an erosion of investment in Puerto Rico, and mounting dependence on subsidies” (Ferguson 1990: 28).

Outside of the Puerto Rican example, this trend of rising unemployment as a result of industrialization continued throughout the Caribbean: “the industrial promotion effort largely failed to accomplish its goal of creating enough jobs to absorb the region’s growing labor force...In the first place, the little foreign investment that did come to the region was largely confined to Jamaica and Trinidad and Tobago<sup>24</sup> ... There were too few projects and the projects that were undertaken were too capital intensive to prevent unemployment from rising in a context of rapid population and labor force growth” (Ferguson 1990: 67). Adding to the issue of growing unemployment was the fact that most islands shifted from a primary focus on agriculture to industry—a move that often economically displaced more people than it benefited.<sup>25</sup> As a result, Caribbean residents migrated elsewhere in large numbers in the 1960s<sup>26</sup> (often to the mainland US and

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<sup>24</sup> Even in Jamaica and Trinidad, the two island-nations that received the majority of such projects, the unemployment numbers remained troubling: “By June 1963 in Trinidad and Tobago 99 factories employing a mere 4,666 workers had been put in place under that country’s Pioneer Industries Program. Adding to that number the 40 factories under construction and anticipating an additional 2,255 jobs that would be created, Edwin Carrington wrote in 1967 that ‘the estimate of 6,921 jobs from these 139 establishments and an investment of \$257.8 million (TT) is to say the least disappointing.’ It was all the more so in view of the fact that between 1950 and 1963 Trinidad and Tobago’s labor force increased by nearly 100,000 and employment in the country’s sugar industry declined by about 3,800. A similar pattern of inadequate employment creation occurred in Jamaica” (Ferguson 1990: 67).

<sup>25</sup> The growth in manufacturing employment did not keep up with the rate of agricultural labor-force displacement. Moreover, the manufacturing sector which developed in the 1960s was increasingly characterized by capital-intensive technologies, reducing the demand for labor. As a result, other measures had to be adopted to maintain the model of capital accumulation: along with the introduction of population control and sterilization programs, migration to the US became virtually institutionalized” (Deere 1990: 129).

<sup>26</sup> Deere writes that “Caribbean migration to the US...accelerat[ed] in the late 1960s. [During this period] the Caribbean islands contributed 20% of the legal migrants to the US compared with only 5% in the decade of the 1950s and 9% in the early 1960s. In the 1960s, Cubans represented the majority of Caribbean migrants, followed by Dominicans and Haitians; in the latter half of the 1960s

Britain). In fact, the large numbers of Caribbean migrants who relocated to the US and UK were an integral part of the ‘success’ of industrialization programs in the region as “it is estimated that between 1940 and 1969, 700,000 Puerto Ricans migrated to the US, accounting for 48% of those working age in 1970” (Deere 1990: 129). Shoring up this argument, Maldonado writes that “Puerto Rico averted a catastrophic increase in unemployment in the early part of [the 1950s] as a result of the migration of working-age Puerto Ricans” (Maldonado 1997: 143). Elsewhere in the region, this pattern held true as well: “In Jamaica, as in Puerto Rico...migration to the US, Britain, and other Caribbean islands became...virtually institutionalized” (*ibid*). In Britain, devastated after World War II, Caribbean migrants such as those aboard the *Empire Windrush* (see, for instance, Fryer 1984) were encouraged to relocate and assist in the rebuilding of Britain. Moreover, circuits of Caribbean laborers have been in motion since the late 19<sup>th</sup> Century, serving as a substantial source of labor for projects such as the Panama Canal and building railroads in Costa Rica (see Lefever 1992; Putnam 2002; Greene 2009). However, this is not to suggest that the various destinations targeted by Caribbean migrants have been pleased with the arrival of this population. In fact, many countries adopted measures to halt the flow of Caribbean migration.<sup>27</sup>

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migrations from Cuba was surpassed by that from the English-speaking Caribbean—Jamaica, Trinidad and Tobago, Barbados, and Guyana—a trend repeated in the 1980s” (Deere 1990: 133).

<sup>27</sup> Hillman and D’Agostino argue that “as important as emigration has been to the West Indies in serving as an escape valve for population growth, it should not be viewed as a solution to mounting population pressures...Some countries that once received significant numbers of immigrants from the Caribbean are now tightening immigration requirements. In addition to Great Britain’s Commonwealth Immigration Act of 1962, Canada tightened its immigration policy in 1972, as did the US in 1986, 1990, and 1996. Even within the Caribbean, serious efforts have been made to reduce interisland movement. For example, Haitian and Jamaican migrations to Cuba have been stopped. The Netherlands Antilles has halted the influx from the British and French islands. Jamaica and Barbados have forbidden the entry of unskilled laborers. Trinidad and Tobago, much of whose black initially came from the Windward and Leeward Islands, now has legal barriers against further unrestricted entry” (Hillman and D’Agostino 2003: 40).

## Migration and Dislocation

*“In the Virgins [there have long existed] side by side, different classificatory systems and different universes of moral judgment relations, respectively, to the various cultural groups: natives, off-island aliens, continentals, French, and Puerto Ricans...The island society, in brief, has not been an isolated and inward-turned community slowly and imperceptibly building up a powerful sense of meaningful communality on the twin pillars of stability and continuity, but rather an outward-confronting, tropical state of nature successively shaken by the rude, elemental force of invading immigrant peoples bound together, at best, by fragile and tenuous relationships” (Lewis 1972: 239-240).*

In the US Virgin Islands, there has long been resistance on the part of the local population to immigrants arriving from the surrounding islands of the Caribbean. Many migrants arrived from the neighboring British and French islands and the shared political status of the USVI and Puerto Rico as US territories has accounted for large numbers of Puerto Rican migrants, as well.<sup>28</sup> Citing overtaxed public services and ‘second-class treatment’ for Virgin Islanders, many longtime residents have been outspoken about their concerns regarding migrants from other Caribbean islands. While Harrigan and Varlack

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<sup>28</sup> Dookhan argues that “immigrant West Indians from Puerto Rico and the British, French, and Dutch islands...were originally brought in to perform work for which the local labor force was inadequate. Under US immigration laws passed, Puerto Ricans being US citizens, had been given preference over the other West Indians in work available on the sugar plantations. During the Second World War, however, labor shortage forced the US to admit these West Indians or ‘aliens’ as they were called, to work on the military establishments. After the war ‘aliens’ were repatriated but were allowed to re-enter along with Puerto Ricans to engage in farming. With the growth of tourism aliens came to the Virgin Islands in ever-increasing numbers because of the better wages offered here, and moved into other kinds of occupation directly or indirectly associated with tourism and industry” (Dookhan 1974: 289).

(1977) suggest the existence of a harmonious pre-US past, in which Virgin Islanders welcomed arrivals from neighboring islands (writing that “there were...no serious problems of relationships as these immigrants were easily absorbed into the ‘native’ community, the two groups of Virgin Islanders actually forming a single geographic, socioeconomic, and linguistic unit, international boundaries notwithstanding”),<sup>29</sup> they point to increasing tensions between Caribbean migrants and longtime residents in the USVI after the US purchase of the islands:

As public services were made increasingly available to noncitizens, natives saw their children go to school in crowded buildings and trailers, waited in longer lines for service, and generally became conscious of moving aside to make room in endless ways for the despised and rejected [Caribbean migrants] who had long come to be known as ‘garrots.’ So far as aliens were concerned, there was little that the average native addressed himself to in a rational manner. All the ills of society were laid at their feet, from unsanitary conditions to the failure of children to learn in schools (Harrigan and Varlack 1977: 407).

Dookhan (1974) also notes this uneasy relationship, suggesting that some social “unrest can be attributed to the widespread feeling among Virgin Islanders that they have

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<sup>29</sup> Harrigan and Varlack expand on this point, writing that “periods of prosperity historically have attracted migrants in comparatively large numbers. Before the coming of the Americans, black Virgin Islanders from the British side had moved in and out in search of employment. It is estimated that at the time of the [US] transfer some 23% of the population had originated from this source. Until the US immigration laws were brought into effect in 1927 the movement continued unrestricted, and during WWII particularly they entered ‘through the window’—that is to say, without the sanction or even the knowledge of the authorities” (Harrigan and Varlack: 1977: 401).

lost control of their economy....the ownership and control of the major industries and big businesses by non-Virgin Islanders with greater competitive power has led the natives to question their role in the future economic development of the islands” (Dookhan 1974: 307). This often-tense relationship between Virgin Islanders and migrants from elsewhere in the Caribbean continues into the present, as demonstrated by continued demands for rights for ‘native Virgin Islanders’ (a demand which received renewed attention in 2008, as Virgin Islanders attempted for the fifth time to ratify a document that would amend the Organic Act, the governing document of the USVI).

As the shift from the traditional focus on agriculture toward industry displaced many in the region economically, it also physically uprooted large segments of Caribbean populations, as “foreign investment also led to a reorganization of the productive process—the modern plantation economy—and to significant dislocation of rural populations. Through purchase, force, bribes, and the indebtedness of peasants, foreign corporations came to own massive tracts of land, particularly in Cuba and Puerto Rico, while dispossessing thousands” (Deere 1990: 123). Karen Fog Olwig (1985) notes this consequence of the move toward industry on St. John, arguing that “since the mid-20<sup>th</sup> century, a powerful external economic framework has once more become visible on St. John. It is now composed of a large, amorphous network of primarily American economic interests seeking to take advantage of investment possibilities generated by tourism. In this period, St. Johnians have been displaced from their traditional economic peasant mode of subsistence to become wage laborers” (Olwig 1985: 6). On St. John in



particular, such land purchases became especially noteworthy when “the Virgin Island National Park was created in 1956 by an act of Congress. The man responsible was Laurance Rockefeller, who by the mid-1950s had purchased a number of cattle estates, covering almost half of the island’s total acreage. He gave the estate land to the federal government with the stipulation that it be turned into a national park” (Olwig 1985: 162). While environmentalists have lauded the creation of this park, Olwig points to the fact that “St. Johnians’ access to the economic resources of the park lands has been restricted, indirectly limiting severely their traditional use of the environment” (Olwig 1985: 163). On St. Thomas, this concern over the continued availability of land for island residents has historically confronted the interests of tourism on that island.<sup>30</sup> Demonstrating the extent of this tension surrounding land, Dookhan cites a 1950 survey which shows that approximately .5% of the population owned 80% of the land. Many in the Virgin Islands fear this trend is continuing in the present moment.

### **Beyond Industrialization: Financial and Information Management in the Caribbean**

*“The historical subordination of Caribbean economies to external economic interests has yielded a highly concentrated structure of ownership, often foreign-based, which in turn has resulted in an extremely unequal distribution of income within each country. The unequal distribution of assets and income has very*

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<sup>30</sup> Dookhan writes that “the demand for land [on St. Thomas] was a direct consequence of the development of tourism, both for the construction of homes and such tourist facilities as hotels. Land over-looking the sea or bordering on beaches was the most desirable. The high demand for this commodity naturally increased its value, and it was calculated that land prices have doubled every 4 or 5 years since 1950” (Dookhan 1974: 289).

*profound social consequences which resonate more clearly in the Caribbean than in other setting. For the fact is that, throughout most of the region, wealth and ownership has been historically associated with whiteness and maleness, and poverty and hard labor with woman and black or other nonwhite racial groups such as East Indians and Chinese. This has yielded a very complex web of hierarchical relations that embrace class, race, and gender” (Deere 1990: 8)*

Largely as a combined result of the optimism with which industrialization programs were adopted and the widespread disappointment at their failure to produce economic stability (while often increasing social inequalities), there was a clear shift to left-leaning political and social agendas across the region in the late 1970s.<sup>31</sup> Given the critiques leveled at many industrialization by invitation programs, including charges that the benefits to foreign corporations far outweighed those received by the islands that hosted them, this period saw “a steady expansion in the economic role of the state, a deepened commitment to and reevaluation of the role of Caribbean regionalism...and a general diversification of international relations” (Deere 1990: 5). Further, this turn toward more liberal policies across much of the region reflected frustration with the raced and classed outcomes of the previous decade of development—a moment in which representatives of foreign business, who were most often white and male, relocated to the Caribbean and reaped substantial economic benefits. On St. Croix, for instance, hiring practices at the aforementioned Hess Oil refinery have long been the subject of local

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<sup>31</sup> Examples of this trend include the 1965 revolt in the Dominican Republic, the 1974 election of Michael Manley in Jamaica on platform of democratic socialism, and the 1970 protest by Black Power Movement in Trinidad and Tobago (see Deere 1990).

frustration. Writing in the 1970s, Lewis argues that within the refinery “at the middle and upper employment levels there is a decided preference for expatriate personnel; thus, the Hess and Harvey compounds begin to look like examples of North American company towns, characterized by varying degrees of racial segregationist patterns, they have sprung up all over the Caribbean after the model of the bauxite company town of MacKenzie in Guyana” (Lewis 1972: 125). Deepening these divisions even further is the fact that the sector of the ‘local’ population with which these businessmen generally interact both socially and professionally is the brown-skinned (or ‘Creole’) elite. As it relates to the US Virgin Islands, it has been argued that “the complex interrelationships among the various segments of the three-tiered group [white, ‘Creole’, and black] have changed over the years only to the degree that a European-oriented class system has become an American-oriented class system” (Lewis 1972: 162). However, despite political and social campaigns to make development work for Caribbean islands (that is, to increase the economic benefit to the region, rather than solely to the foreign corporations), many of the “new state enterprises and new industries oriented toward the regional market proved to be just as dependent on imported inputs and technology as those run by multinational corporations” (Deere 1990: 5).

The failures of industrialization as the driver of development in the Caribbean combined with the frustration at the difficulties that arose during the 1970s in attempting to move beyond this model, led to a paradigm shift in development thinking beginning in the 1980s and continuing through the present. This has been a moment that has centered

around virtuality and has largely produced programs that have focused on data/information management ('informatics') and finance (see especially Freeman 2000 and Maurer 1997). These programs often work to incorporate new markets into global circulations, and have had particular significance for the smaller islands in the Caribbean. For instance, Maurer's work is entitled "Recharting the Caribbean," in recognition of the refiguring of islands in the region into functioning nodes in global transfers of wealth and information.

In the 1990s, this move toward immediacy and transnational connections was declared by many as one in which specificity of place—such as national borders and ethnic identity—were no longer significant in light of present-day 'flows' of information and capital (see especially Appadurai 1990). Many scholars have since complicated this reading and have argued that the instantaneous transfers of wealth and data that are the hallmark of the post-industry moment are, rather, demonstrative of dynamic *new* relationships between markets, state functions, and nations.<sup>32</sup> It is in this context of the shift from the heavy industry of the 1970s to the light, flexible, virtual transfers of the 1980s and beyond that many Caribbean nations implemented new development strategies. Working on Barbados, Carla Freeman (2000) has written on the emergence of the 'informatics' sector, and focused especially on the relationships between gender, employment, and identity, arguing that women who work in this field occupy a new and different position in Bajan society, determined in part by their employment in this field.

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<sup>32</sup> This point is also relevant in the realm of cultural nationalism, as scholars such as Thomas (2004) and Oliver (2009) explore the relationship between nations/nationhood and states.

Maurer (1997) has also documented this shift from industry to information in his work on banking in the British Virgin Islands, while my work addresses the emergence of an economic development initiative, the Economic Development Commission (EDC), in the US Virgin Islands.

In light of the shortcomings of industrialization, including the decreased profitability of once-thriving factories, the government of the US Virgin Islands modified its development focus in 2001, transforming the IDC into the EDC. In keeping with the general emphasis on global and immediate circulations, this program offered significant tax breaks to businesses, primarily American financial management companies, willing to relocate their businesses to the US Virgin Islands.

Here, it is important to note that while initiatives such as the EDC are emergent—and indeed ‘new’—they do not constitute a radical break with the past in which the Caribbean region is steeped. Rather, these initiatives are rooted in—and in many ways, made possible by—the history of plantation agriculture and colonialism in the region as well as continued (pseudo-colonial) political relationships. This is particularly the case in the US Virgin Islands, which relies heavily on its status as a US territory in marketing its EDC program. Further, such programs often reinvigorate the tripartite system of race outlined above—white, black, colored/Creole, black—in novel ways: for instance, the twenty-something descendants of historically well-to-do Creole families in the US Virgin Islands represent a disproportionate percentage of employees in these well-paying EDC

companies. Further, an analysis of gender in relation to such finance/information-driven programs will be in order throughout this work, as hiring preferences often strongly favor young women. This preference for female workers occurs within the EDC program as well as among the ‘pink collar’ workers theorized by Freeman (2000). In the industrialization model, this relationship between young women and employment was reflected in the large numbers of women working in factories across the region (see Yelvington 1995; Deere 1995. In the maquiladora context see Prieto 1997; Cravey 1998). Indeed, while there is much literature on development in the present moment being female-driven, it primarily focuses on working-class women (for instance, domestics and those providing child-care). This engagement with the EDC program centers on middle-class women hired and trained by EDC companies to do a different—but related—kind of service.

The EDC program, then, is a reflection of the current moment in the long history of economic development initiatives in the Caribbean. Following the collapse of plantation agriculture, attempts at economic revitalization in the region have focused on homesteading, tourism, industrialization—and now virtual transfers of wealth and information. While it may seem a linear trajectory, it is perhaps more productive to understand these models as existing in dialectal relation to one another, furtively smuggling in preexisting hierarchies, divisions, and expectations while creating new avenues through which they are confronted, affirmed—and sometimes subverted. The story of present-day circulations of capital in the Caribbean is neither wholly determined

by the region's past, nor entirely new. Rather, it is a hybrid of these—steeped in centuries-long processes of accumulation, while taking advantage of new pathways created by the current moment of globalization.<sup>33</sup>

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<sup>33</sup> In her work on circulations and consumption in the Caribbean, Mimi Sheller describes this between-ness with the term 'binding mobilities of consumption,' an attempt to point to the continued implications(s) of older circulations in the contemporary Caribbean (Sheller 2003).

### **3. The EDC Program: An Overview**

As I set out to begin fieldwork for this project on the EDC program, I was immediately concerned about my positionality. Surely, I reasoned, having been born and raised on St. Croix, the island which was now my ‘field site’ as much as it was ‘home’ would be beneficial in my new role as researcher, as I had a built-in cadre of would-be informants— neighbors, classmates and friends who would willingly divulge their experiences with the EDC. While my personal history as a Crucian did provide me with much ‘backdoor’ access to Crucians’ opinions of this economic development initiative and the mostly white businessmen who moved to St. Croix because of it, my history also complicated my attempts to strike a balance between ‘participant’ and ‘observer’ throughout my time on St. Croix. Even more troubling to me at the time, however, was the fact that while I was, in fact, gathering information on experiences with and impressions of the EDC program, much of it came in the form of hushed whispers and rumors, the most frequent of which was the repeated warning I received from many well-meaning friends that one EDC company in which I was particularly interested was most definitely a “cult” where I would be indoctrinated and turned into an ‘EDC girl.’

While my balancing act between ‘Crucian’ and ‘anthropologist’ continued throughout my period of fieldwork, my concerns over the lack of concrete, public debate about the program began to be allayed as I stood in line at the post office one afternoon. As I waited in the snaking line, I multi-tasked by thumbing through mail and people



watching. Soon, however, my attention became focused on an increasingly-heated conversation between two people at the head of the line. In what ultimately became a shouting match, a middle-aged white woman and a black man from St. Kitts in his 60s debated the skyrocketing cost of real estate and property taxes<sup>1</sup> on St. Croix. The woman, Karen, insisted that these increases were the fault of the EDC program in general and of “that Stanford man” in particular (Allen Stanford is a billionaire who had recently relocated his considerable business operations to St. Croix—and had been in the process of purchasing large tracts of land across the island since his arrival). The man with whom Karen was arguing, however, insisted that these developments were the fault of unmotivated locals, arguing that “is we, is we! If we don’t buy, we can’t get vex.”

After witnessing this exchange, I approached Karen outside of the post office and asked to talk with her about her views on the EDC program. As we walked to a nearby café to escape the scorching summer heat, she told me that having lived in the Virgin Islands for over 20 years, she was concerned about the rising cost of land on St. Croix (in part, as a result of the astronomical sums being paid by wealthy white families brought to the island by the EDC program) as well as about her plans to organize a “march for peace,” which she hoped would diffuse what she saw as increasing racial tensions on the island as a result of the EDC. Sitting at the café talking about EDC businesses, racism,

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<sup>1</sup> In large part as a result of EDC capital and buying power, the cost of homes on St. Croix has gone up considerably. As a result, the value of properties in the territory have been revalued and, in most cases, dramatically increased, resulting in many residents receiving enormous property tax bills. In an attempt to curb these increases, the local Senate attempted in 2008 to pass a bill that “included a provision to force all EDC companies and individuals to pay full property taxes.” However, the governor ultimately vetoed the bill, arguing that it would “defeat the purpose of the economic stimulus program” (Lewin, Aldeth. [St. Croix Avis](#). “Governor Submits Revised Property Tax Proposal” February 6, 2008).

and economic development, we were startled when a police car sped past us. Before I could wonder aloud what the emergency might be, Karen shouted, “You see? You see? That’s what I mean. They’re trying to take over!” When I asked what she was talking about, Karen explained that the neither the car nor its driver represented the local police department, the VIPD, but rather an EDC businessman who had hired a private security force to monitor particular sections of the island. Going beyond hiring these guards, he had several cars painted to very closely mimic VIPD cars, convincing passersby that there was an increased police presence on the island. The resemblance between government-owned VIPD cars and those of this private EDC-employed security force was so striking that I wondered how often I had confused the two before this moment, and what the implications of this privatized security force might be. Did they merely provide increased surveillance? Were they able to stop people they deemed ‘suspicious?’ What might be the racial and classed implications of this designation in the overwhelmingly white neighborhoods patrolled by this force and in which many EDC beneficiaries and their families live? Lastly, I wondered what it meant that Karen, a white long-term resident of the Virgin Islands, was critiquing the EDC community for its desire to “take over” and the perceived racism of many of its members.

### **From Industry to Finance: Shifting Development Paradigms**

The history of the Economic Development Commission program in the US Virgin Islands is one of evolution. At its inception in 1975, this development program was

named the Industrial Development Commission (IDC) and focused on attracting heavy industry to the USVI. In the late 1990s, the program began to shift its focus to companies making use of light, flexible labor, in keeping with the paradigm shift that was taking place in the Caribbean as a whole during that decade.<sup>2</sup> This worldwide shift away from Fordist manufacturing practices in favor of lighter, more flexible work able to be completed across vast distances has been theorized by many scholars, most notably David Harvey (1989). In the USVI, this shift began informally in the 1990s with the IDC accepting small numbers of benefit applications from technology and financial companies, most often financial management and investment firms. It was not until 2001 that this shift was formalized, with the IDC being renamed the Economic Development Commission (EDC), focused on attracting primarily American financial management companies to the island, thereby solidifying the US Virgin Islands' entrance into the global competition for development dollars through finance. A 2007 New York Times article on the EDC recognized that this program "has existed since the 1960s, but [has] gained momentum over the last decade as the Virgin Islands government opened the program to services companies...Financial services companies and their executives began flocking to the islands..." (Strom 2007). The 2007 USVI Economic Development Authority's annual report points to the significant impact this change in development focus has had on the economy of the US Virgin Islands, as "the transformation from the Industrial Development Commission to the Economic Development Commission

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<sup>2</sup> While production in the USVI accounted for up to 10% of US watch consumption in the 1960s, "output from the watch industry has declined significantly in recent years. The industry is now comprised of two companies—Belair Quartz and Tropex Watch Co. In June [2008] Hampden Watch Co., began to phase out its operation on St. Croix, citing poor economic conditions and revenue losses for the closing of the company" (VI Bureau of Economic Research, "Economic Review July 2008").

(EDC)...[has increased] the number of beneficiaries twofold.” (Economic Development Association 2007). Yet, this new incarnation of the program has not received a warm reception in the territory and is, in fact, viewed with a great deal of suspicion by many Virgin Islanders. Like Karen, many are frustrated by the escalating racial tensions on the island that they attribute to the arrival and “racist” behavior of the overwhelmingly white community of EDC program participants, as well as to the perceived inequalities inherent in EDC hiring and employment practices that favor lighter-skinned, young Crucian women for employment in these financial companies.

As the global focus changed post-1970s from heavy industry to a regime characterized as more flexible, scholars grappled with what these increasingly-global processes might mean for a new world order. In the 1990s, some theorists of globalization began to argue that the electronic (or virtual) nature of these worldwide processes would result in greater global integration, with formerly remote areas of the globe incorporated through these circulations. Arjun Appadurai’s (1990) theory of global flows (or ‘scapes’) traveling at “blinding speeds” is perhaps the most widely known theorization of this kind, although it has since been widely critiqued for being overly-celebratory, as well as for its inattention to power dynamics. In the Caribbean, the move toward lighter industry characterized by virtuality was seen, at least initially, as an attractive alternative to the service-sector jobs provided by tourism. This was because the local population anticipated training in new skills, and because the financial services companies were to walk with a lighter footprint on islands. These expectations, however,

have not been realized in the Virgin Islands, largely because the EDCs have produced many of the same effects as tourism vis-à-vis racialization and gender, including the feminization of labor and the continued dependence on foreign capital resulting in racialized hierarchies that recall earlier processes in the region. Further, the economic and social vacuum created by the too-numerous EDC companies that continue to leave the island quickly is much the same as that created when ‘runaway shops’ (Safa 1981) or tourist markets move elsewhere. And, finally, as several scholars have more recently pointed out, actual people in actual places make global circulations – and particularly financial circulations – possible. Following Saskia Sassen (1998), my work is rooted in an understanding that “there is no fully virtualized enterprise nor fully digitalized industry...To a large extent the global economy materializes in concrete processes situated in specific places...We need to distinguish between the capacity for global transmission/communication and the material conditions that make this possible” (96). Jean and John Comaroff (2000), also unwilling to abstract global circulations to the level of independently-moving ‘flows,’ argue that “these dialectical processes cannot occur without the grounded, socially embedded human being from whom they draw value” (305). This dissertation, then, is an examination of St. Croix as a node in global financial circuits. However, and equally importantly, it is also a grounded analysis of the implications of this development program on the lives of the women with whom I worked as well as the Virgin Islanders whose lives have been affected by this initiative, a focus which both recenters conversations about globalized capital on the workers who make these processes possible and serves to “demystify globalization” (Sassen 1998). As I will

show in this chapter, St. Croix, as a territory of the US, is uniquely positioned as a site through which to examine the effects of increasingly global processes. This political relationship between the USVI and the United States serves as the foundation of the EDC program, complicating a reading of global financial circulations as beyond the level of ‘the nation.’

### **Virtual Development: States, Markets and the EDC**

The EDC program, much like its industrial predecessor, focuses on attracting businesses to the US Virgin Islands by offering tax incentives, perhaps the most enticing of which is a 90% waiver on income tax. These islands are hardly the first to offer such incentives (the Cayman Islands have long been viewed by investors as receptive to their needs, while Bill Maurer (1997) has written on the growing banking sector in the nearby British Virgin Islands). Much like Puerto Rico during Operation Bootstrap, however, the USVI relies heavily upon its political relationship with—that is, its status as a territory of—the United States for the success of the EDC program. A 2002 issue of the Virgin Islands Investment Analysis, an investment newsletter printed on the mainland for Americans interested in relocating to the USVI, makes clear the importance of this stability afforded by the USVI’s status as a US territory, warning:

Do Not Invest Outside the United States. Even seemingly stable island governments, such as those associated with Great Britain, for example, have

established a history of turning possessions over to completely new forms of governments as short-term expediencies take precedence. In addition, investing outside the United States endows one with a whole new set of legal and cultural barriers that are often discovered only by painful first-hand exposure (Virgin Islands Investment Analysis May 2002: 1).

On the EDC program's website, designed to inform potential investors about its specifics, the 'US' in USVI figures prominently: in his message to future beneficiaries of the program, the Governor of the territory writes, "we are unique and our beloved Territory offers many benefits. We use US Currency and have the protection of the US flag and US courts. Manufactures have duty-free, quota-free access to the US mainland with 'Made in the USA' labels on many types. Our Economic Development Commission benefits help qualifying companies reduce their taxes and increase their profits and rivals any benefits package across the globe" (Economic Development Authority website, "Message from the Governor").

Governor deJongh's assessment of the territory as "unique" vis-à-vis development has much to do with the territory's status as an English-speaking possession of the United States that is only a short trip from the East Coast of the United States. The fact that English is the primary language in the USVI makes it a more attractive relocation option for American investors with school-aged children (as is the case for many EDC families) than nearby Puerto Rico, where the task of transitioning themselves and their children to

Spanish would constitute an additional challenge. Further, the status of the territory as a US possession lends it—and the program—an air of legitimacy, of being in compliance with the laws of the United States (whether or not this is the case generally remains in doubt on the island, as a not-insignificant number of EDC companies have been raided and/or investigated by federal authorities in recent years).

Indeed, while the 1970s was a period during which many Caribbean islands turned toward increasingly autonomous development plans, largely as a result of frustration with the outcomes of development programs implemented after independence from Britain across the region during the 1960s, the USVI continued to rely on its political relationship with the US. As has been amply demonstrated by scholars in and beyond the region, the development strategies pursued during the immediate post-colonial period did not substantially diverge from those that had been followed before independence, and did not fundamentally alter the colonial social and economic hierarchies that characterized the region. During the 1970s, however, with the increasing interest in the non-aligned movement, with black power movements gaining speed in many Caribbean countries, and with democratic socialist policies being pursued in Jamaica, a sea change was occurring in the formerly British West Indies. Nevertheless, the US Virgin Islands continued to root its hopes for economic development in its ties to a metropole.

For the Caribbean—with its long history of slavery and colonialism, and



particularly a present-day territory such as the USVI—emergent relationships between states and markets are often to the disadvantage or the complete theoretical elision of island residents while relying on their labor. Working in the British Virgin Islands, Bill Maurer (1997) has described the ways in which new alliances between states and markets result in a “recharting” of the Caribbean, with certain islands linked in new ways to financial capitals across the globe. However, he notes that these ‘new’ connections do not represent a complete break with the past, as these islands’ colonial histories continue to inform this “recharting.”<sup>3</sup> Through the EDC program, the USVI—particularly the island of St. Croix—has recently become a ‘node’ in global financial circuits, although its position continues to be informed by its relationship to the US, as the island is primarily linked to American investment firms.

The EDC’s reliance on the currency and juridical protection of the US is but one example of the continued relevance of the concept of ‘the nation,’ as argued by many scholars writing against the notion of an increasingly undefined ‘global village’ of the current moment. Moreover, the EDC program demonstrates dynamic new relationships between states, state functions, and markets through globalized processes (here, financial transfers and management) with EDC beneficiaries and their capital strategically fulfilling state functions<sup>4</sup> (such as the private security force made to resemble official police cars) and sometimes being disciplined by the state (for instance, through federal

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<sup>3</sup> In the case of the BVI, Maurer notes the centrality of an “essentialized BVIness,” rooted in residents’ understanding of themselves as a “law and order people”—an assessment that has strong links to the notion of British propriety and the history of the BVI as a British colony (Maurer 1997).

<sup>4</sup> See Hansen (2006) on privatized security in South Africa.

raids).

The status of the USVI as a US territory makes the EDC program particularly attractive for American citizens. The vast majority of the businessmen—and they are generally men—whose companies benefit from the program arrive to the territory from the mainland US. Often, these men are relatively young (in their 30s and 40s), and relocate to the territory with their wives and school-aged children (these women, known as ‘EDC wives’ occupy a very particular social category on St. Croix, and have become a powerful presence in the local charity arena, a development I discuss at length in Chapter 6). Generally, these program participants are white and have no ties to the island beyond the EDC program. In fact, they often have not spent any time in the territory before learning of the program—with the exception of a few who may have vacationed in the USVI previously. The racial politics of these recent arrivals are much discussed and bemoaned by Crucians and long-term island residents alike, with EDC beneficiaries cast in the role of racist newcomers interested only in financial gain while maintaining a critical distance from ‘locals.’<sup>5</sup> As evidence of this, many on St. Croix point to the fact that ‘EDC people’ (so intertwined are these businessmen and their families with the program in the popular imagination on St. Croix that they are referred to as such) tend to live in an enclave, an area of the island known as ‘East End.’ While this neighborhood has long been home to the well-to-do on the island including, historically, many white families, there is a new, and particularly virulent, resentment of ‘EDC people’ as set apart

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<sup>5</sup> It is of note that while the vast majority of ‘EDC people’ are white, the 2000 Census found that “75 percent of the population is classified as black” (“Economic Impact of H.R. 4520 on U.S. Virgin Islands.” *PricewaterhouseCoopers* 2004: 5)

and racist for choosing this exclusive neighborhood.

This relationship between the long-term white residents of St. Croix (including ‘Statesiders,’ like Karen, who relocated to the USVI in the 1960s and 1970s in search of a slower pace of life and general ‘irieness,’ as well as descendents of the Danish plantocracy on the island) and the newly-arrived ‘EDC people’ is complicated and also demands closer examination. While white residents who have been on St. Croix for some time often side with Crucians in decrying ‘EDC people’ as racist, it is difficult to assess how much this has to do with their displacement as the patron class by these, incredibly wealthy and often flamboyant, newcomers. With the advent of the EDC, there have been deepening divisions of race and increasing processes of racialization that have resulted in a metonymic relationship between ‘EDC’ and ‘white,’ effectively eliding long-term white residents. Scholars have noted this relationship between racialization and global processes (see especially Clarke and Thomas 2006), as well as the rising xenophobia and “friction” of the current moment, despite earlier predictions of globalization-as-integration (Tsing 2005). Far from decreasing racial tensions, the presence of the EDC program and ‘EDC people’ on St. Croix has resulted in increasing processes of ‘Otherization.’ Specifically, antagonisms between Crucians and immigrants from surrounding islands have been renewed recently. These tensions have centered around a reinvigorated debate over the definition of “native Virgin Islanders,” in much the same way as clashes between ‘belongers’ and ‘non-belongers’ in the BVI and increasing invocations of autochthony and indigeneity more broadly (Geschiere and Nyamnjoh

2000; Geschiere 2009; Starn 2007).

On St. Croix, ‘EDC people’ are regarded with ambivalence, with locals viewing them as both potential sources of generous income and as social pariahs intent on re-colonizing the island in the model of plantation slavery and ushering out ‘Crucian culture’ in the name of professionalism (a common response I received to questions about the EDC program and ‘EDC people’ was “slave days over!”). This assessment of an economic program as an attempt to return to ‘slave days’ on St. Croix points to the ways in which these financial transfers, and the grounded, local practices that make them possible are racialized—against discourses of globalization that heralded the overcoming of specificity, including nation, place, and race. Moreover, this reading demonstrates that despite its focus on global finance, the effects of this development program are not entirely new for many Virgin Islanders, as this equation of the EDC with “slave days” points to the continuities between the program and historical processes in the region. These anxieties concerning racism and ‘slave days’ are particularly resonant on St. Croix, understood—in large part because of its historical role in slave rebellions and the territory’s Emancipation—as the cultural capital of the USVI. Describing his 1982 visit to St. Croix after recovering a Danish slave ship that sunk en route to the island in the 1700s, diver Leif Svalensen (2001) writes, “on a bus stop alongside the Fort I read: ‘Free the Black People from the Chain.’ This is not a battle cry from the nineteenth century. It has been freshly painted! It appears as if the dissatisfaction among the black population of St. Croix is a never-ending problem” (Svalesen 2000: 207-208). Ongoing racial

dissatisfaction on St. Croix in particular may well be the case, but in recent years many scholars have begun pointing to both the racialization of global processes, and continued—and often, increased—racial tensions and xenophobia of the current moment (Jenkins 2002; Chua 2003; Tsing 2005; Clarke and Thomas 2006).

### **Grounding Globalization: Historical and Contemporary Factors Contributing to the Centrality of the EDC Program on St. Croix**

The EDC program operates on all three US Virgin Islands. However, the geographic, historical, and economic singularity of St. Croix has led me to explore the impact of this program and its beneficiaries on this island in particular.

Although the US Virgin Islands is recognized by the United States as a single political entity, this assessment belies the reality of dramatic differences between and across these islands. As was the case under Danish rule, the economic realities operating on St. Croix, St. Thomas, and St. John are worlds apart. Finding continued success as a port city, St. Thomas is today a standard stop for many Caribbean cruise lines. The tiny island of St. John, which shares a legislative district with St. Thomas due to its small size and proximity to the capital island, has found its niche in the luxury tourism market, catering primarily to vacationing celebrities and high-end wedding parties. St. Croix, however, with its longstanding focus on agriculture as the driver of its economy, has struggled to enter the tourism market and, as a result, has faced continual economic

decline.<sup>6</sup> During our conversations, government representatives on St. Croix would often note that the EDC program was developed in order to bring economic improvement to the island in the face of the booming tourist markets on St. Thomas and St. John, as well as throughout the Caribbean more broadly. A comparison of tourists, and tourist dollars, entering St. Thomas/St. John in relation to St. Croix yields dramatic results: In 2008, the former had been visited by 685 cruise ships, while St. Croix welcomed just two.<sup>7</sup> A comparison of commercial flights landing on these islands confirms this uneven distribution, as the same period saw 10,503 commercial flights arriving on St. Thomas/St. John, but only 1,333 landing on St. Croix.<sup>8</sup> These figures demonstrate how, even within the same region, global circulations remain unevenly or “spottily” distributed, strengthening some “transnational connectivities,” but not others (Grewal 2005). It is important here that I note that the purpose of using these statistics is not to suggest tourism as the only possible means of economic stimulation for these islands, although it is the case that attracting vacationers has been of central economic importance for most islands in the Caribbean, including the USVI.<sup>9</sup> Rather, contextualizing the economic position of St. Croix vis-à-vis its fellow Virgin Islands makes clear the reasons that the EDC has had the most pronounced impact on this island. St. Croix’s lack of success entering the tourist market, coupled with the precipitous decline of industrialization

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<sup>6</sup> In part as a result of these differing economic realities, there are long-simmering tensions between residents of St. Croix and St. Thomas. A 2008 notice in the *St. Croix Avis* succinctly depicts this strained relationship, asking: “Is St. Thomas about to hijack some of St. Croix’s land? Plans were to use the hundreds of thousands of square yards of gravel excavated from the Christiansted Bypass project as a base for the St. Croix Bike and Health Trail. Now we are told the authorities are going to take that material for use on the island of St. Thomas. Hello? Call your local senator, call the governor’s office. Don’t let this happen!” (*St. Croix Avis*, 2-3 March 2008).

<sup>7</sup> “Cruise Ship Calls.” *US Virgin Islands Bureau of Economic Research*

<sup>8</sup> “Major Carrier Direct Flight Seats.” *US Virgin Islands Bureau of Economic Research*

<sup>9</sup> In the USVI, “tourism is the primary economic activity—accounting for more than half of the territory’s income” (“Economic Impact of H.R. 4520 on U.S. Virgin Islands.” *PricewaterhouseCoopers* 2004: 4).

programs that had been so successful in the 1970s and 1980s has meant that St. Croix is the US Virgin Island whose economy most desperately requires intervention—a reality that contributed to the turn to a development model focused on finance.

### **Requirements and Frustrations: Local Critiques of the EDC Program**

In order to obtain the attractive benefits offered by the EDC program, applicant companies must fulfill certain program requirements,<sup>10</sup> including a minimum investment of capital in the territory, annual donations ranging from \$25,000-\$100,000 to local charitable organizations, residency in the US Virgin Islands for 183 days per year, and a workforce consisting of a significant number of Virgin Islands residents. Regarding this last requirement, the statute governing the program insists, “one of the basic purposes and objectives of the Economic Development Program is the establishment and preservation of opportunities of gainful employment for residents of the United States Virgin Islands. The Beneficiary shall provide opportunities of gainful employment...to residents of the US Virgin Islands. Each beneficiary shall employ at least ten (10) persons on a full time basis...and all employees in such enterprise shall, subject to [certain] exceptions, be residents of the United States Virgin Islands” (Rules and Regulations Economic Development Commission. Title 29 V.I.R.R. 22 Dec 2004. Section 708-601 & 604). This appears to be a straightforward stipulation, yet for the purposes of this program, a ‘Virgin

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<sup>10</sup> The list of requirements to obtain EDC benefits requires that “individuals and companies must commit \$100,000 of capital, employ 10 local residents, buy goods and services from local suppliers and promise to make charitable donations. They must also establish residency, and are advised to buy or lease a house and car, obtain a local driver’s license and join local clubs” (Kossler, Bill. “Feds: Auffenberg and Accomplices Nailed by IRS Sting.” St. Croix Source, 29 January 2009).

Islands resident' may be legally defined as someone who has spent one year living in the territory.<sup>11</sup> Not surprisingly, then, one of the criticisms levied against the program by members of the local population is that companies simply relocate their mid- and upper-level 'Stateside' employees and then begin the process of applying for EDC benefits. The effect of this is that the original mainland staff of many EDCs remains largely intact, while the companies are legally able to claim employment of the required number of Virgin Islands residents. Advocates of the EDC program, however, point to an alternate 'resident' definition, one that refers to those schooled in the territory, and argue that the program counters 'brain drain' by making it possible for Virgin Islanders living outside of the territory to return.<sup>12</sup> The option to earn a competitive salary, in concert with ability to overcome the "dull ache of lifelong homesickness"<sup>13</sup> experienced by many Virgin Islanders living abroad, makes employment in the EDC sector particularly appealing.

The possibility of return migration is an important issue for the EDC on St. Croix, as much of the local objection to the program has to do with perceived inequalities faced by Virgin Islanders in the hiring process. The local government agency charged with overseeing the program, the Economic Development Authority (EDA), argues that "the creation of high paying jobs for college graduates from the Virgin Islands has partially reversed the flight of intellectual capital to the United States mainland." (Economic

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<sup>11</sup> The EDC Rules and Regulations state, "Resident of the Virgin Islands' means: 1. Any United States citizen currently domiciled in the U.S. Virgin Islands for one (1) year or more; 2. A person who has attended a school in the U.S. Virgin Islands for at least six (6) years or is a high school or University of the U.S. Virgin Islands graduate and who is registered to vote in the Virgin Islands" (*ibid*: Section 703-1 (r)).

<sup>12</sup> As of 2004, the USVI was "experiencing an annual loss of population due to net emigration, estimated at about 9 per thousand" ("Economic Impact of H.R. 4520 on U.S. Virgin Islands." *PricewaterhouseCoopers* 2004: 4).

<sup>13</sup> Nina Glick-Schiller (2001) employs this phrase in her work on long-distance nationalism.



Development Authority 2007: 1). Yet, in talking with talking with Virgin Islanders, I was often told that EDCs “don’t do their part” with regard to hiring Virgin Islanders, preferring instead to import existing staff from the US mainland. This reaction became so common that I was completely unsurprised when it came from a graying off-duty waiter at a local restaurant late one night. After I told him my project topic (“I am studying the EDC”), he shouted, “I hope you gone study how they does discriminate against we!”

This widespread perception of EDC shortcomings in hiring is an issue that I brought up during an interview with Albert Bryan, the Chairman of the EDA board:

Tami Navarro (TN): ...I did an interview yesterday with somebody who’s active in the, sort of, EDC world, and his take on it is that people who are not 100% for it, the reason for that, the main reason for that is that they don’t *understand* it, and they don’t understand the benefits they’re getting. But I, I would say that it’s pretty clear that there are some people in the community who aren’t, you know, gung ho about the program, and so given how drastically it’s changed our economy, what do you think that hesitance or suspicion or resentment, what do you think that’s rooted in?

Albert Bryan (**AB**): I think as a people we have, the way we are as a Caribbean people and as a Virgin Islands people, we have enjoyed years and years of prosperity where other Caribbean nations...*have not*.

**TN**: Because of our relationship with the United States?

**AB**: Exactly. And, because of that I think we have been...and for the most part we've been insulated against a lot of things, we take care of one another in the V.I. When you introduce businesses that are...there seems to be a perception in the VI that businesses should be run as social institutions. Being more socialist, rather than capitalist...I think when you're doing business with anybody, you need to realize that 'this person is in business...'

**TN**: ...to make money.

**AB**: To make money! And if you negotiate from that position, your expectation level will be less, in terms of what that person will *give* you, and will rely more on what you can negotiate out of that person. And, here, I think that the way the program has been characterized by some of our leaders, not only this program, but business in general, big business in general in the V.I., as 'they should be more' I...I can't even say, 'they should be better' I shouldn't say 'better,' 'super corporate citizens.'

**TN:** ‘Super corporate citizens.’ So, greater amounts of charitable giving?

**AB:** More...greater amounts of charitable giving, not only in terms of donation to charities, but in their hiring practices, in...In everything that they do so that there is more a level playing field throughout...

**TN:** And that’s something you see as problematic, or just a difference of organizational principle?

**AB:** Well...I...I think it’s problematic if you think that you’re going to have a company move here that is, um, in a very competitive business, open up a trading floor, and hire 10 local people who have no experience and no (emphatic) *training* in trading to trade. And, and sometimes I think that’s what we’re looking for.

As a territory of the United States, the USVI experiences certain benefits including, as noted by Bryan, injections of capital from the US that have insulated the territory from much of the economic chaos that has befallen many of its island neighbors. Another implication of this political relationship is that residents of the USVI are not subject to any travel restrictions to the mainland US, a difficulty for the Virgin Islands, as it contributes to the migration of educated Virgin Islanders, but also one that is not shared by residents of many neighboring Caribbean islands. This example of mobility, while

certainly limited by personal financial realities, is but one of several instances of the relationship between mobility and privilege that is crucial to the EDC program in the USVI.

Hiring preferences that favor middle- and upper-class Crucians who have attended college in the States also speak to the centrality of mobility. Describing multiple-passport holders who are best able to capitalize on opportunities created by global processes, Aihwa Ong (building on Harvey's insights about the new economy) has coined the term 'flexible citizenship' (1999). More than this, however, the very program itself relies on the mobility of capital; the EDC is predicated on the assumption that the US will maintain the stability of the USVI, enabling capital to flow freely. This demand of capital's mobility, in large part, explains the Governor's emphasis on the stability of the territory "under the protection of the US flag and US courts."

Beyond the objection to the practice of transplanting existing staff to the island in an attempt to circumvent local hiring requirements, the program also faces critiques regarding the selective engagement of EDC businesspeople with the larger community of St. Croix, and what critics argue is the repositioning of some Crucians through this program. Pointing to the fact that many EDC workers are middle- and upper-middle class, usually lighter skinned, and very often attended private grammar and high schools together, EDC detractors claim that there is an inside network from which these companies select their 'local' employees. Late one afternoon, I dropped by the EDC

office where my friend, Veronica, worked. There was a lull in the workday when I arrived, so I asked if I might interview her about her experiences with the program. Surveying the open floor plan of the office, and her fellow coworkers chatting and making plans for that evening, I asked:

**TN:** Hypothetical question: How surprised would you be if you walked in here one day and your boss had hired somebody who went to [the public high school] Central, then UVI, maybe got an MBA, but you had never socialized with them or you had never seen them out at the places ‘to be seen’? Would you be very surprised?

**V:** With *my* boss, no...It would be surprising, but I mean, you know, sometimes it does happen. And maybe they were able to impress them in a...in a certain way. And I mean, I shouldn’t even put any kinds of judgments like that, because there are people that go to public schools and graduate from UVI that are very smart and just they just haven’t had the opportunities that I have had because I went away. But it would be a little surprising just based on what’s happened in the past. What I’ve seen so far.

**TN:** So it really is ‘who you know?’

**V:** At least here, even our interns, they all went to private school and they’re all people that we knew.

Veronica's comment that "even [the] interns" attend private high school on the island and go on to attend college in the States shores up the widespread assumption in the Virgin Islands that EDC hiring is at best selective and at worst exclusionary. Many residents with whom I spoke, both those employed within the EDC sector and those outside of it, matter-of-factly stated that EDC companies were plainly interested in hiring a "certain kind of local," just as I had been advised during my own job search years earlier.

In describing her ultimately unsuccessful interview for the position of receptionist at an EDC company, for example, one woman recounted to me her interviewer's comment that she did not have "the right kind of voice" for that position. Whether this was in reference to her detectable Crucian accent or some other factor remained unexplained—however, it is just this kind of hinting at unspoken expectations and requirements—never voiced but understood by all—that is at the root of many of the local objections to the EDC program.

What is more, there is a gendered aspect to these hiring preferences as young, US-educated, Crucian women (many of whom graduate from local private high schools before going on to college on the mainland) seem to be the preferred employees of EDC firms. Most often in their 20s, this group of female workers is known as 'EDC girls' and serve as the counterpoint to 'EDC wives,' who are subject to entirely different, but equally specific, social expectations). In keeping with patterns in the Caribbean and beyond in which service labor – including financial services – has become feminized, the

EDC preference for these ‘girls’ recalls the overwhelming number of female service workers in the industrialization period as well as the continued dependence of the tourism industry on the labor of young women. While ‘EDC girls’ perform a different kind of labor than that provided by women through tourism, their labor—and its effects on their positioning vis-à-vis parents, friends and their fellow Crucians—has much in common with women working in service economies. In addition to class, gender is clearly at play in the subject-making of Crucian women who work for EDC firms (a subject about which I say more in Chapter 6).

In an attempt to counter charges that the EDC program provides unfair advantages to some Crucians over others, the local government has created a sub-program specifically targeted at increasing interaction between EDCs and local businesses—the Eligible Supplier program. As part of this initiative, the USVI government vets local businesses in order to obtain the title of “Eligible Virgin Islands” supplier—the category of company that EDCs are required to employ for goods and services (Eligible Supplier companies are wide-ranging, and include businesses such as building contractors and computer repair shops)<sup>14</sup>. There is local dissatisfaction with this sub-program, as well.

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<sup>14</sup> The Procurement subsection of the Rules and Regulations governing the program states:

“It is the purpose of this Division to provide clear guidelines for the implementation of a workable program by which local suppliers of goods and providers of services may benefit from the increased commercial and industrial activity produced by they Program. To this end these rules provide (and they shall be so construed) for responsible United States Virgin Islands business enterprises to have the maximum practicable opportunity to participate in procurement activities of beneficiaries, as suppliers of goods or providers of services. Beneficiaries shall do their utmost to facilitate the participation of United States Virgin Islands businesses pursuant to these rules.

Section 708-702. Procurement Requirements.

- (a) Each Beneficiary shall employ or contract, and require all contractors retained by him to employ or subcontract, for services and to purchase goods, materials and supplies with and from those persons, firms, and corporations who are residents of the United States Virgin Islands, or incorporated under the laws of the United States Virgin Islands, and who are duly licensed to do business in the United States Virgin Islands and have been so duly licensed for one year or more prior to the initial date of any such employment, contract, subcontract, or purchase.

Many charge that EDC companies either disregard this requirement altogether, or that they work around it by inventing overly-specific needs – for example, claiming the need for a particular color of pencil for the completion of basic office tasks. In response to my questions about this sub-program, Jeannette, a woman who, along with her husband, owns an Eligible Supplier construction company, said that she feels as though “the EDCs just get the quote for show” because they are required by contract to obtain local estimates. Jeannette was bothered by this practice, not only because it allows beneficiaries to sidestep local businesses, but also because “putting the quotes together takes a lot of time, [and] for the most part EDCs end up buying off-island through loopholes.” Further, while EDC companies are required to report the outcome of the bidding process to all applicants, Jeannette complained that this frequently did not happen.

Jeannette’s friend, Carol, a woman who often served as an EDC consultant, introducing newly-arrived EDC businessmen to the island, summed up her impression of the Eligible Supplier program, saying: “It’s an afterthought. A bone thrown to the local community.” When I asked Carol about her work as a consultant, she described herself as an “EDC handler.” Clarifying this title, she went on to explain that she served as

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- (b) Each Beneficiary shall invite competitive bidding, and require all contractors retained by it to invite competitive bidding for all such services, goods and materials pursuant to the publication requirements [listed in] the U.S. Virgin Islands Code, and to notify each bidder in writing of the name of the successful bidder and amount of his bid.
  - (c) Each Beneficiary shall advise the Economic Development Commission, in writing with a copy to the Commissioner of Licensing and Consumer Affairs when goods and materials are not available under the above-defined Virgin Islands sources and demonstrate in writing of efforts to obtain such services, goods and materials, and to require contractor or subcontractors retained by the applicant to likewise comply with this requirement.” Rules and Regulations Economic Development Commission. Title 29 V.I.R.R. 22 Dec 2004. Section 708-601 & 604



someone “whose job it is to make them as happy and comfortable as possible...with as little interaction with the local community as possible.” In response to complaints about the efficacy of the Eligible Supplier program, such as those lodged by Jeannette and acknowledged by Carol, the EDA invites local business owners taking part in the program to a biennial Eligible Supplier conference where the agency attempts to address concerns, as well as to provide participants with a forum in which to share their experiences. In August 2008, I attended one such conference, which ended with the forty or so attendees denouncing the lack of enforcement in this program and the continued practice of EDCs buying the bulk of their supplies off-island.

Another critique leveled at both the program and ‘EDC people’ concerns land use and real estate. While many beneficiaries of the program live on the “East End,” their wealth allows them to purchase large swaths of real estate across the island, a situation that has especially alarmed Virgin Islanders concerned about ‘locals’ being permanently priced out of the housing market on St. Croix. This concern on St. Croix is heightened by the cost of real estate on St. John, a hyperinflated market that many Virgin Islanders are unable to enter. Concerns over dramatic changes in the real estate market in the USVI are borne out by quantitative data. The average cost of a home on St. Croix has doubled from 2001 to 2007<sup>15</sup>—yet the ways this statistic is interpreted vary widely. While the 2004 PricewaterhouseCoopers report found that “in tandem with the rapid growth of designated service businesses promotions under the EDC program, the USVI real estate

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<sup>15</sup> The average cost of a home on St. Croix was \$181,335 in 2001. In 2007, it had risen to \$364,266 (“U.S. Virgin Islands Annual Tourism Indicators” US Virgin Islands Bureau of Economic Research).

market has revived since 2001, with strong increases in construction, renovation, and sale of existing homes,” (PriceWaterhouseCoopers 2004: 8) many Virgin Islanders take exception to such ‘revival,’ arguing that it effectively prices them out of real estate and home ownership on the island.

In numerous formal and informal interviews, Crucians told me that the greatest social cost of the success of tourism in St. Thomas and St. John has been the phenomenon of whites “taking over.” This view applies particularly to the tiny island of St. John, where real estate prices for the few acres of land not protected by the US Federal Government as part of a National Reserve are prohibitively expensive<sup>16</sup>—a situation that has resulted in the displacement of St. Johnians to the larger island of St. Thomas. The morning and evening ferry boat transporting the day laborers working at St. John’s various high end resorts is an image cited by Crucians as evidence of the displacement of locals resulting from ‘economic success.’ During my interview with Albert Bryan, I asked about these issues of escalating real estate costs and increasing property taxes:

**TN:** I think perhaps, just in doing interviews, it seems like maybe some of the miscommunication has to do with different aims [of the program], right. So people, you know, Joe on the street, doesn’t necessarily [think]....‘Great, they’re

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<sup>16</sup> In 2007, the average cost of a home on St. John was \$782,938 (“U.S. Virgin Islands Annual Tourism Indicators.” [USVI Bureau of Economic Research](#)).

getting tax benefits and our economy is going to get built up, but meanwhile I still can't afford stuff in [the supermarket].'

**AB:** ... You're right, people think that [the program] means 'I'm going to get a job and live a better life.' And you're also right that we have no idea, or we don't sit down to think the *price* of economic prosperity. I remember having a conversation with my friend 5 years ago, telling him 'You see the price of houses? You see how the prices on East End have started spiking?' And he told me, 'That's East End. That will never, that ain't have nothing to do with us.' I said, 'Are you crazy? Construction is construction is construction. Your house is valued more, that means it's going to cost you more to build...'

**TN:** and the [escalating] property taxes...

**AB:** Oh yeah....but um, that's the price of prosperity...And I can, I can see...I remember going to St. John and all it has was donkeys and jeeps. There was no, and that's in my lifetime...

**TN:** There was no Caneel Bay?

**AB:** There was Caneel Bay [but] it was...it was smaller and it was...

**TN:** Not what it is now?

**AB:** No...There was no Westin. You know, there was none of that. I mean, it was a lot of foot paths and dirt roads, and you know, now look at St. John now. St. John has...

**TN:** So do you think that's St. Croix's future? A similar trajectory?

**AB:** ...yeah. And I think that people have a difficult time seeing that, but because I've seen it in St. Thomas, I *know* what's going to happen to St. Croix.

While Bryan recognizes the St. Johnian real estate market as an eventuality for St. Croix, there remain many Crucians for whom St. John remains a worst-case scenario of development. Describing St. John, Karen Fog Olwig (1985) notes the centrality of service sector employment, writing, “a large number of St. Johnians worked at [one of the island's anchor resorts] Caneel Bay in the mid-fifties, and it is difficult to find many St. Johnians over forty-five years of age today who have not at some point in their lives worked at the resort” (Olwig 1985:165). Employment in the tourism industry—which is primarily found at Caneel Bay Resort<sup>17</sup> and other hotels that dot the tiny island, by taxi driving, or by selling handicrafts to vacationers—remains a vital source of income for St. Johnians today.

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<sup>17</sup> Caneel Bay, which provides employment for approximately 450 people, is an EDC beneficiary.

It is important to note that while some of the anxieties surrounding the EDC program may be grounded in fact (there *are* an overwhelming number of youngish, lighter-skinned young women employed in these companies, and some ‘EDC people’ *are* buying large amounts of land on St. Croix), there is much rumor at work here, as well. While a few of the concerns expressed by well-intentioned friends who warned me of the dangers of spending too much time with “racist EDC people” turned out to have some relationship to the reality I experienced in the field, many simply did not—and were, instead, demonstrative of the many misgivings surrounding the program as a whole.

Many of the objections to the EDC program, including hiring practices and fears about real estate scarcity, concern the behavior of particular ‘EDC people’—and thus tacitly accept the validity of the program as a means of economic development. Yet, there is much discussion on St. Croix about the very legality of the program and its beneficiaries. On the whole, Virgin Islanders are largely wary of the EDC as an ill-defined and therefore suspicious—yet potentially lucrative—program. These suspicions, often dismissed by program advocates as being merely ‘backward, anti-development propaganda,’ may have their roots in rumor—but have been shored up by continued federal investigation of beneficiary companies on the island.

## **SWAT Gear and Bank Statements: Government Raids and the EDC**

During fieldwork, my exploration of federal raids on EDCs began by way of gossip. As I rifled through my bag in the women's locker room after a workout at the high-end gym frequented by 'EDC wives' (a group of women with whom I shared a pattern of midmorning gym visits, given that neither they nor I had a schedule organized around a workday), I overheard two women discussing the start of 'the case.' Listening more intently, and perhaps blurring the line between anthropological data-gathering and unqualified eavesdropping, I realized they were discussing the start of preliminary legal proceedings against an EDC company that had been the talk of the island for months, as a result of its offices being raided by the Internal Revenue Service (IRS). Quickly gathering up my things, I left the health club and drove to the nearby courthouse to see what I could learn about this case.

In one of the more notorious instances in collective Crucian memory, the IRS employed undercover agents in its investigation to determine whether the partners in a financial company were complying with EDC requirements, including spending the required number of days in the territory. The federal government charged that the business of this company was "primarily the solicitation of partners and the marketing of Virgin Islands tax benefits to taxpayers, not the business described at the initial public hearing, or its application for an EDC certificate, nor the business authorized in the certificate as eligible for tax benefits" (*United States of America and the People of the*

*Virgin Islands vs. James A. Auffenberg, Jr.*, Appendix to Government’s Response [2008]). Or, as the government argued more bluntly in a later legal motion, “the business of [Company X] was not the sale of business services, but the sale of tax evasion.” Charging this company with tax evasion, misrepresenting the extent to which they conducted business in the USVI (in its motion, the IRS claims that “the government can find no evidence of any substantial business services performed by anyone. Specifically, we can find *no* evidence of *any* work performed by any of [Company X’s] 83 “Senior Project Managers”), and failure to meet basic residency requirements,<sup>18</sup> the investigation of this company further blemished the reputation of the EDC program as a whole, reigniting public debate about its legitimacy.

Having found sufficient evidence, the IRS carried out a raid on the company’s office, terrifying employees and confiscating all manner of documents (at an EDC get-together, I found myself talking with an accountant who was working in the office next door to Company X on the day of the raid. She described nervously peeping through a slit in the widow blinds in her office as federal officials in SWAT gear and bulletproof vests swarmed the office next door). While this investigation is ongoing and often regarded as epitomizing the problems of the EDC program, it is hardly the only one of its kind; of the seven companies with which I interviewed or attempted to interview, four had been investigated in some manner by federal authorities. In fact, one of the companies with

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<sup>18</sup> The full list of charges against this company includes: “conspiracy, tax evasion, filing false individual and corporate income tax returns, aiding and assisting in the preparation of such returns, wire fraud, and money laundering, under U.S. law, as well as conspiracy, making false statements to officials of the Virgin Islands Government, filing false tax returns with the Virgin Islands Bureau of Internal Revenue, and gross receipts tax evasion, in violation of the Virgin Islands Code” (Probasco, Matt. “Four Charged with Multiple Counts in EDC Tax Fraud Case.” St. Croix Source 19 October 2007)

which I ‘interned’ for several months during fieldwork quickly pulled out of St. Croix after the indictment of its CEO by the US Securities and Exchange Commission (SEC) in early 2009. These semi-regular, and often armed, raids by federal government agencies understandably contribute to the suspicion with which the program is viewed on the island.

As a result of continued infractions, which many beneficiary companies attribute to a lack of clarity in the law governing the program, the US Congress passed legislation in 2004 to enforce stricter regulations on the program and its beneficiaries. Chief among the issues addressed by this bill, the American Jobs Creation Act of 2004 (“Jobs Act”), were changes to residency requirements (mandating the current 183 day per year stay in the USVI) and the kinds income that qualify for the program’s tax break. The program’s supporters saw this bill, and these changes, as the death knell of the EDC, a set of strict rules that would drive capital, and its handlers, to a friendlier environment. An article published in the local newspaper, the St. Croix Avis, in 2004, outlined the changes included in the Jobs Act:

These “changes will negatively impact the V.I. treasury because it changes the requirements for more than 100 companies that enjoy tax breaks as part of the EDC program. The new rules would require VI taxpayers to be physically present in the Virgin Islands at least 183 days in any tax year to be a bona fide resident for tax purposes under the U.S. Internal Revenue Code. The new provision would



only allow VI source-income to qualify as EDC benefits. It eliminates the possibility that some of an EDC beneficiary's U.S. source income connected with a VI trade or business, could qualify for tax reduction under the EDC program. [Then-] Gov. Charles Turnbull...said that his administration was 'not standing still' on the issue and continuing to lobby against the changes in Washington D.C." (Lett 2004).

The aftermath of these federal interventions—both the raids and the legislation—has been an escalation in the already-raging debate on St. Croix between supporters of the program (a community that largely consists of 'EDC people,' some local EDC employees, and local legislators) and its detractors. As noted in the newspaper article above, members of the local government were in support of the program (the list of supporters included then-Governor Turnbull and the territory's congressional representative, whose reaction to the stricter regulations was, "this is not what we wanted or what we needed,"<sup>19</sup> and today includes the current Governor John deJongh). These supporters, including employees of the EDA and "local political and business leaders...traveled to Washington to educate U.S. Treasury officials and other government leaders about the potential negative impact of the proposed new rules and regulations on the economy of the U.S. Virgin Islands" (Economic Development Authority 2007: 2).

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<sup>19</sup> The representative of the USVI in Washington, Delegate to Congress Donna Christensen, was outspoken in her objection to the EDC requirements included in the Jobs Act, stating in the same article that "the only good thing we can say about this is that they are out, and the companies now know what they need to know." Rather than the 183-day residency requirement, "Christensen and others had advocated that an average of 122 days in the territory over three years be sufficient" (Buchanan, Don. "V.I. officials Disappointed with New EDC Residency Regulations." St. Croix Source 30 January 2006)

Mainland news sources also covered the changes brought about by the Jobs Act. Centering around one of the more successful and locally recognizable EDC businessmen on St. Croix, an article written for the business website Bloomberg.com addressed the impact of this legislation on the EDC program:

Warren Mosler, who opened a hedge fund firm in St. Croix five years ago, is having what's become the usual conversation with people who were lured to the U.S. Virgin Islands in 2001 by the prospect of legally cutting their tax bill by 90 percent. Almost half of the 49 funds that set up shop in the islands have fled in the past two years. Mosler complains that hedge funds were chased away by federal tax law changes and an Internal Revenue Service that says it suspects rampant fraud by those that signed up for the tax incentive...He's surveying the sparse happy hour crowd [at a beach bar frequented by 'EDC people']. 'Unfortunately, the fear is causing a case of running away from the police when you're not guilty,' he says (Donmoyer 2007).

This piece ultimately concludes with a reiteration of the continued centrality of relationship between the United States and the USVI, as one local official complained to the reporter that the US federal government "think[s] of us like we're outside the United States." "Still," the author concludes, "islanders know Washington holds the key to their salvation" (*ibid*).

Another article published in the St. Croix Avis following the release of the Jobs Act regulations paints an even starker picture for the program:

A sweeping corporate tax bill that many believe will gut the VI's economic incentive program passed in the U.S. Senate Monday, despite efforts by local government officials and beneficiaries to prevent it. [Then-] Gov. Charles Turnbull, other government officials, Delegate to Congress Donna Christensen and a host of lobbyists, spent much of last week trying to delay the legislation that may negatively impact the EDC program, which has brought more than \$100 million annually to the VI's treasury and has been steadily building the banking sector...Turnbull said his administration would continue to work to minimize the severity of the new laws on the EDC program. The government has commissioned PricewaterhouseCoopers to complete a study on the economic impact of the pending changes to the territory's residency and source-income rules (Lett 2004).

That study by PricewaterhouseCoopers found that the restrictions on residency and source-income put in place by the Jobs Act did, indeed, have a striking effect on the program and, as a result, it would become "more difficult for the USVI to retain and attract investment" (PricewaterhouseCoopers 2004: 1). Further, the EDA today points to ongoing negative consequences of the Jobs Act, as the program has "continued to experience reductions in applications as well as business shrinkage and closures. The

promulgation of residency rules, the ongoing audit of EDC beneficiaries by IRS/Treasury, its negative national media coverage...have contributed heavily to the downturn being experienced by the agency.” (Economic Development Authority 2007: 6).

Anecdotal evidence has borne out this scenario of a downturn in the program, yet whether these difficulties are the result of investors ‘running away from the police when [they] are not guilty’ is a matter of contention on St. Croix. While the business community and local government officials support the EDC program and critique the Jobs Act as unfairly targeting the program and its beneficiaries, many of the island’s residents outside these sectors view these regulations as much-needed interventions into a program that unfairly benefits wealthy white investors at the expense—both financial and what many on the island term ‘cultural’—of Crucians. The debate between these two camps—those in favor in the program and those who find fault with it—has long been raging, but was made clearer during the galvanizing moment of the Jobs Act in 2004.

Two articles published in the Virgin Islands Daily News days apart demonstrate these widely varying assessments of the EDC program. On June 8, 2004 a resident of St. Thomas submitted an editorial entitled “While the Rich Gets [sic] Richer,” in which he claimed that the EDC program was “giving away” much more than it was receiving:

As our senators sharpen their pencils trying to "fix" years of overspending and

corruption, the excuse for not preserving one of our last remaining public beaches and controlling rampant development will be, "but we can't afford to buy Vessup beach." This is ridiculous when you look at what we are giving away with the "EDC"/IDC benefits... We are taxing the poor and allowing the rich to come here and live without making just contributions. Our schools need computers and books but these extremely wealthy people don't feel connected to their "home" in the U.S. Virgin Islands to give where they really live. We are giving away the cow and milk! (Brent 2004)

In response to these claims, a supporter of the program submitted an article entitled "EDC Program a Godsend" two days later:

EDC companies employ more than 3 percent of the population, contribute millions of dollars per year to local charities, schools and other social benefit organizations. They have invested hundreds of millions of dollars of capital improvements to establish EDC businesses in the territory. Tens of millions of dollars in wages are paid annually. Tens of millions are spent locally on goods and services. The list goes on but you get the idea. The EDC program is and continues to be a bright light attracting capital and people to create a diverse and stable V.I. economy.

The EDC program is one of the greatest economic stimulus plans to ever grace the shores of the Virgin Islands. Our ability to understand and engage the opportunity

will determine the future of the people of the Virgin Islands (Difede 2004).

The author of this article suggests that “understand[ing] the opportunity” offered by the EDC is key to approving of the program. However, this argument is belied by the many Virgin Islanders I interviewed, including EDC employees, who continue to critique the initiative.

### **Financial Services as Development**

In order to productively discuss the impact(s) of the EDC program, it is vital to note the way in which it is organized. Owing partially to its history as an industrial development program, the EDC has a three-tiered structure, allowing a broad range of businesses, including manufacturers, to apply for benefits.<sup>20</sup> However, it is the small subsection of the approximately 100 beneficiaries, the group known as Category IIA, or Designated Service Businesses (DSBs) that have come to stand in for the entire program.<sup>21</sup> According to the aforementioned 2004 economic analysis, DSB’s have

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<sup>20</sup> The language in the statute governing Eligible Business is as follows:

The approved industries of businesses and their established categories shall be:

1. Category I—Rum Production, Milk/Dairy Production, Watch and Jewelry Manufacturing and Assembly;
2. Category II—Product Assembly, Manufacturing (other than Jewelry and Watch Manufacturing and Assembly), Agriculture/Food Processing, Mariculture/Food Processing, Marine Industry, Raw Materials Processing, Hotels/Guesthouses, Transportation and Telecommunications;
3. Category IIA—Service Businesses, not limited to but including, Investment Managers and Advisors, Research and Development, E-Commerce Businesses, Call Centers, High Tech Businesses, International Public Relations Firms, International Trading and Distribution, and any other businesses serving clients located outside the Virgin Islands.
4. Category III—Utilities, Health Care Facilities, Recreation Facilities, Insurance Companies, Physicians Corporations, and such other industries or businesses as may grant benefits to such industry, business or enterprise only upon a finding that it is appropriate to do such and that such industry, business or enterprise will advance the economic well being of the United States Virgin Islands and its people (Rules and Regulations Economic Development Commission. Title 29 V.I.R.R. 22 Dec 2004. Section 708-301)

<sup>21</sup> The EDA notes that “the fastest growing segment of EDC beneficiary companies continues to be in the area of designated services. The derivative economic stimulus from these companies has been substantial, especially because they tend to employ local residents

“account[ed] for virtually all growth in the EDC program since 1999 and 49 of the estimated 96 beneficiaries in 2004” (PricewaterhouseCoopers 2004: 4). Describing the emergence of this type of beneficiary company, the study states that “over the last decade, rapid advances in information and communications technology, most notably the Internet, have made it economically feasible to provide many services to geographically distant customers. Category IIA of the EDC program seeks to attract companies in the service sector that can serve the needs of an international clientele from a USVI base” (PricewaterhouseCoopers 2004: 1).

The metonymic relationship between the IIA subcategory and the EDC program as a whole is so complete that to describe a company as ‘an EDC’ is, necessarily, to refer to a DSB (and, even more specifically, very likely a financial management company). The chairman of the EDA board discussed this relationship during our interview:

**TN:** DSB businesses, at least in the popular imagination, have supplanted [the other categories]. When people say ‘EDC’ they don’t think hotels, ...they think, you know...

**AB:** Exactly.

**TN:** ...they think 'Whatever Capital, Whatever Management'

**AB:** That's only been the last 5 years, though. The program has been around for about maybe about almost 50 years now. So, the um...it...it has always existed in one form or another. I mean, the telephone company...was very controversial when it was issued economic development benefits. They *always* had economic development benefits from the inception of the phone company, but most people don't know that, they just weren't *EDC* benefits....People see the designated services businesses as *being* the EDC

**TN:** Right.

**AB:** They are basically the children.

**TN:** The poster children?

**AB:** Yeah. Of, of the EDC, but *they only been here 5 years*, and the reason why it took off really...

**TN:** (interrupting) It's remarkable that in that short period of time they would make such a big impression, though.



**AB:** Because of the size of the money. I mean, the world has changed now. I mean, you can have 5 people in a corporation who make a billion dollars and they don't really sell, or *manufacture*, products. They're not selling Volkswagens, they're just...It's just pure knowledge. So I'm selling you intellectual...intellectual...

**TN:** Property...

**AB:** Property. And, and that changes the landscape big, so you have a couple of companies that that were recruited before in order to I would say, #1 bring new industry to the VI, but #2 the tax gains. I mean, even, even at 10% (laughter) the kind of money that they're pulling in, pulled the VI out of a really bad slump

In fact, the impact these companies have on the island—as a source of revenue, topic of street-corner critique, and potential employer—is principally important to the program. It is estimated that the “total direct and indirect jobs attributable to DSB’s represent[ed] 8.4% of total USVI employment in 2004” (PricewaterhouseCoopers 2004: 8). In its 2004 Annual Report, the EDA notes that “the addition of the designated services category as a product of the Economic Development Commission has resulted in the expansion and growth in the financial services industry in the Territory. The creation of high paying jobs for college graduates from the Virgin Islands has partially reversed the flight of intellectual capital to the United States mainland” (Economic Development

Authority 2002-2004: 1). This classification of EDC jobs as ‘high paying’ is crucial to the ambivalence with which the program is received on St. Croix; part of the assumption of lucrative EDC employment is based in fact, as “compensation of DSB employees averaged \$66,000 in 2002, far in excess of the USVI average”<sup>22</sup>—yet the speculation surrounding the fantastic sums presumably paid to local EDC employees does not always correspond to the reality of entry-level positions, sometimes marking these employees with the social stigma of being affiliated by the program and burdening them with familial financial responsibilities they resent as unfair.<sup>23</sup> As a result of this assumed direct relationship between well-paying financial companies and the EDC program, a central aspect of my methodology was working with two such beneficiary companies during my period of fieldwork.

### **‘Strange’ Clothes and Ideas: EDC Dress Codes and ‘Cultural’ Differences**

In order to secure internships within the EDC sector, I called on a number of friends and acquaintances who had some relationship to the program. After being turned down by a company in which I knew a number of employees well, I began to worry that EDC companies might not necessarily want an anthropologist in their office on a daily basis. This concern made the necessary cold-calling and cocktail-party networking with

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<sup>22</sup> The per capita personal income in the US Virgin Islands in 2003 was \$31,000—“significantly lower than in any U.S. state” (“Economic Impact of H.R. 4520 on U.S. Virgin Islands.” *PricewaterhouseCoopers* 2004: 6).

<sup>23</sup> In order to contextualize the financial demands often placed on EDC workers, it is important to note the stark economic situation of the US Virgin Islands: “A high portion of the population of the Virgin Islands lives in poverty. In 1999, the latest year for which data is available, 32.5 percent of USVI residents had incomes below the poverty line, compared to just 12.4 percent of U.S. residents. Fully 29 percent of families in the USVI live in poverty, compared to just 16 percent in Mississippi, the state with the highest poverty rate. The USVI poverty rate is triple that U.S. poverty rate of 9 percent. For USVI families with children under 5 years of age, the poverty rate is 41 percent” (“Economic Impact of H.R. 4520 on U.S. Virgin Islands.” *PricewaterhouseCoopers* 2004: 2).

‘EDC people,’ tasks that already left me riddled with nervousness, that much more difficult. However, as the weeks wore on, I began to go on a number of EDC interviews, attempting to get internships approved and scheduled. In the midst of these pressure-filled visits, I was often struck by the stark difference in office attire between EDC businesses and almost any other office environment on the island. Right before one interview, I was at a café telling a friend/informant how nervous I was about my upcoming meeting when my cell phone rang. Not recognizing the number on my caller ID, I was concerned that it was someone from the company calling to cancel. When I answered, I realized it was someone from this would-be employer, however they were calling to ask what I would like to have the office’s personal chef make me for lunch following the interview. Still nervous, I answered quickly and raced to their office. Upon arriving, dressed in my best approximation of ‘businesswear’ at the time, I realized my nerves were unwarranted, as the major partner of the firm (a multi-millionaire from the Midwest), strolled into the mahogany-paneled conference room overlooking the ocean to meet with me dressed in board shorts, a threadbare polo shirt, and no shoes. While this was the most extreme version of ‘dressing down’ I came across during my interviews, it is a vivid demonstration of differences between ‘EDC people’ and ‘everyone else’ on St. Croix. As such, it remains the case that many EDC offices are ‘casual’ in a way that is unfamiliar to most Crucians (it is of note here that while many EDC employees adopt this surfer-chic approach to office wear—e.g. board shorts, T-shirts, and flip flops, some EDC offices, such as one of the firms with which I interned, adhere to the opposite extreme, requiring a level of formality in dress uncommon on St. Croix). These differences in

office norms as demonstrated through dress tie into what are seen as larger ‘cultural’ divisions between Crucians and ‘EDC people.’

Another important difference involves telephone etiquette: When calling an EDC company, an employee will likely answer: ‘Company X!’ In contrast, telephones at most offices on St. Croix are answered: ‘Good afternoon, Company X, how can I help you?’ This seemingly insignificant difference has raised if not the ire, then at least the thorough annoyance, of some Crucians who feel “brushed off” by the brusque way many EDC phones are answered. As I stood in the office kitchen one day, talking with Leslie, a woman with whom I worked during one of my EDC internships, I asked her how she thought the EDC program and ‘EDC people’ were received on St. Croix. In response, she acknowledged the existence of a cultural gap that was problematic—but wanted to maintain the possibility of benefit to some Crucians:

**Leslie :** For the locals that are working for the EDC companies, I think that it’s very beneficial to us, you know, and it’s hard because a lot of these, the heads of the companies come down here and there’s a big cultural gap, you know. And I think that they’re learning more and more, but it’s very different. Like, our company per se, we had a staff meeting the other day and it’s like we’re talking about ‘how do we answer our phones?’ And, Wall Street, they don’t really care to say ‘good morning, good afternoon,’ they just want to know ‘what do you want?! Don’t waste my time.’ Here, you have locals calling and they’re like [in Crucian

accent] ‘don’t this person have any manners?’ That kind of thing, and so, it’s really...It’s a weird situation, I guess. And it’s hard for them to understand our culture.

This frustration can be seen as related to the Jamaican notion of ‘broughtupcy,’ an assessment of ‘good manners’ that recently-arrived, and ostentatiously wealthy ‘EDC people’ are viewed as lacking on St. Croix. The fact that ‘EDC people’ are viewed—both by disgruntled would-be employees and members of the white ‘old guard’ on St. Croix—as having ‘new money’ is central to these larger divisions, as ‘EDC people’ are seen as failing to fulfill their duties in the patron/client relationship that has historically governed interactions between wealthy whites and local communities in the Caribbean. Regarding the position of ‘EDC people,’ the previously-mentioned investment newsletter alerts would-be residents to potential conflicts, noting:

There is a divergence of attitudes in the islands regarding the acceptance of mainlanders as neighbors. There are certainly native islanders who are against the influx of mainlanders. Additionally, there are small fringes who are racially motivated and concerned about the islands becoming a home for the elite. On the whole it should be noted, the islanders are gracious, warm, and sharing. It is very important to realize the slower life style in the island and to adjust to this, as opposed to superimposing the ‘feverish stateside pace’ on the island culture. This

may only lead to conflict and frustration in building friendships and in getting things done (Virgin Islands Investment Analysis 2002: 3).

As the following chapters will show, these ‘cultural’ differences of dress- and behavioral expectations are central to the ways in which Crucians understand and relate to ‘EDC people.’ What is more, my work will take seriously the position of residents who are “concerned about the islands becoming a home for the elite,” historicizing this concern and bringing it into conversation with the position of EDC advocates.

Throughout this chapter, I have traced the paradigm shift in development thinking that led to the implementation of the EDC program in the USVI, laid out the structure of this initiative, and presented the objections it faces from the local community. I have also pointed to the ways in which the EDC is indicative of both a ‘new’ moment of fast-moving global circulations, while simultaneously recalling earlier processes of slavery and colonialism in the region. The following chapter will focus on my EDC internships, examining daily life at these companies, and introducing the experiences of my fellow ‘EDC girls.’

## **4. Pirates and the Caribbean: EDC Internships**

Listening to a local radio station one day in 2007, I heard an announcement about an upcoming event, an Economic Summit that would focus on ways to stimulate St. Croix's lagging economy. The Summit was scheduled to be held at the St. Croix campus of the University of the Virgin Islands in September 2007. After a few phone calls, I was registered as a volunteer for this public economic forum.

The Economic Summit boasted an impressive list of invitees and speakers, including local government officials and representatives from many of the island's private sector businesses. The speakers giving keynote addresses at this two-day conference were particularly impressive, and included the Governor of the USVI, the Senior Editor of FORTUNE magazine, and a billionaire who was the topic of much discussion on the island as a result of his recent decision to relocate his substantial business enterprise to St. Croix. The words of this final speaker, Allen Stanford, were met with rapt attention as he talked about his commitment to the Caribbean, the importance of investing in the region, the necessity of overhauling the EDC legislation to compete more aggressively in the global market, and the importance of routing the "pirates in the Caribbean." An article appearing in the VI Source immediately following the Summit outlined Stanford's position:

The U.S. should jump start a wave of investment in the Virgin Islands and the wider Caribbean Basin with changes to the tax code, Texas and Antigua billionaire Allen Stanford told St. Croix Economic Summit participants Friday. Stanford heads the Stanford Financial Group, a private, family-owned group of companies founded by his grandfather in 1932. He was listed at no. 239 on Forbes Magazine's latest list of the 400 wealthiest Americans.

Stanford shared his personal vision for a more prosperous Caribbean Basin, and the role the U.S. government, the Virgin Islands and St. Croix in particular can play in bringing about that vision. "On St. Croix, I believe a big part of attracting the right kind of serious investors, is if...the outdated EDC tax-incentive legislation was rewritten as a new law," he said. "One that absolutely eliminated tax cheating, that is simple to understand and unambiguous." (Kossler 2007).

Just 17 months later, the irony of Stanford's words would hit St. Croix as his assets sat frozen, his employees summarily dismissed, and the already-low level of local support for the EDC program took a perilous dip as a result of Stanford's indictment by the US Securities and Exchange Commission (SEC) for fraud. Alleging his entire operation to be a house of cards, a "Ponzi scheme," the SEC arrested Stanford and his chief officers in early 2009.



This chapter explores the positioning of the EDC program and its participants on St. Croix through the rise and dramatic fall of the program's most prominent business, Stanford Financial. The meteoric rise of this company on St. Croix and its eventual decimation—a development described by program supporters as an anomaly not reflective of the program and by its critics as hard proof that 'dem deh' or 'EDC people' are indisputably corrupt—serve as bookends to this chapter. The example of Stanford shores up my argument for understanding the EDC program as neither a dazzling program that incorporates St. Croix into global financial circuits in wholly-new ways, nor a perfect replica of historical processes of inequality on the island. Rather, the way in which the government and many residents of St. Croix clamored for the attention of Stanford and his billions are reflective of the desperation of the Crucian economy—a continued consequence of economic stagnation on the island that has its root in St. Croix's inability to successfully diversify its economy beyond reliance on agriculture as its primary economic driver. These are troubles that have persisted through attempts at industrialization and economic diversification (see Chapter 2)—and the fierce hope that this billionaire and his capital would save the island. The significance of Stanford as a paternal figure, a 'great white hope' was not lost on Crucians; while many residents tried desperately to gain employment in his company, others vocally criticized Stanford from the moment he arrived. Rumors of Stanford's megalomaniacal intention to purchase the entire island were widespread, and as evidence for these claims his detractors pointed to Stanford's insistence on being called 'Sir Allen,' in reference to his knighthood conferred by Antigua. Long before his indictment, many on St. Croix were suspicious of Stanford's

company, describing it as a ‘cult,’ a reading that was fed by the company’s strict dress code including the status-marking—and mandatory—company lapel pin.

Rather than tracing the implosion of Stanford Financial for sport, this chapter takes seriously the hope many on St. Croix invested in this company, the positioning of its employees, and the crushing blow dealt to St. Croix when this business became but the most recent and sensational in a long line to leave the island quickly amid suspicion. While supporters of the EDC program have heralded the initiative as a radical break with the territory’s past attempts at economic stimulation, the continuing hasty retreat of EDC companies results in a vacuum on St. Croix much like that left by ‘runaway shops’ (Safa 1981) and failed tourism initiatives across the region. I argue that while the financial services market on St. Croix attempts to position itself as entirely different from tourism, it results in many of the same long-term effects, and is but a new way of doing service, rather than a radical break with such attempts at economic stimulation. Financial services and tourism are two ends of a spectrum that result in similar outcomes for islands dependent on foreign dollars. Scholars have not often tracked these processes, including circulations of capital, through St. Croix. Doing so is productive, as it necessitates an engagement with the historical legacy and continued implications of earlier circulations such as slavery.

## **Pursuing Internships**

While at the St. Croix Economic Summit, I approached representatives from several EDC companies, including a small hedge fund called St. Croix Fund as well as Stanford Financial, informing them of my research and asking about the possibility of interning at their companies. Employment in this sector is highly sought-after, and after encountering early resistance from EDC businessmen unwilling to talk with me about the program, I was pleasantly surprised when both men agreed to interviews the following week.

On my first visit to St. Croix Fund, I was greeted by the sight of the employees gathered in the company's kitchen, eating roti and chatting, some leaning on cabinets and others sitting on the countertop. Dressed casually in linen pants or jeans with T-shirts, these workers were in the middle of lunch when I asked where I could find the head of the company, Peter Davies. Being directed to a glass-paneled conference room overlooking the Caribbean Sea, I found Davies, dressed in khakis, a polo shirt, and sandals, surrounded by piles of paper on a mahogany table that filled the room. Standing to greet me, Davies jokingly apologized for the state of the office. He went on to explain the nature of his business and asked me why I wanted to work as an unpaid intern. A gregarious man in his early 30s, Davies had been described to me by friends familiar with the EDC sector as someone who took seriously his commitment to his adopted home of St. Croix and 'got' it—that is, he was described as a wealthy white man who had

relocated his business to St. Croix from the US mainland, but one who understood the social, cultural, and political impact moves such as his had caused on the island. Moving to St. Croix from the Northeast in 2003, Davies came with his wife and young children to benefit from the tax relief offered by the EDC program and had quickly begun partnering with local nonprofit organizations and politicians. While Davies became active in assisting several causes, including education and animal welfare, he refused to displace local leaders and activists—many of whom were notoriously outspoken and remained quick to remind Davies of his status as an ‘outsider,’ despite his donations.

As our conversation went on, I explained my research and interest in working with his company, one of the EDCs with the longest presence on the island. Telling me of his own interest in anthropology, Davies agreed to ‘hire’ me as an unpaid intern for the summer of 2008. During the 11-week period, I was to serve as something of an office assistant, helping the receptionist, Xio, with daily tasks and working to organize Davies’ office during the slow summer months. Excited about the prospect of gaining first-hand experience as an EDC employee, I left the relaxed atmosphere of St. Croix Fund and went home to prepare for my interview at Stanford Financial, scheduled for the following day.

Walking into the office of Stanford Financial the next day was a radically different experience from my interview at St. Croix Fund. Having been repeatedly warned about the strict dress code at Stanford by friends and informants, as well as being

chastised for having the audacity to interview at such a company at all, I walked into the office—more than a little nervous—dressed in a pencil skirt, long-sleeved blouse, and stockings. As my high heels clacked on the marble tiles in the office and echoed in the silent lobby, I was greeted by a petite white woman in her 20s whom I had long known through mutual friends. The receptionist, known as a ‘conciierge’ at Stanford, was named Melody. When I walked into the office that first day, Melody had her hair pulled into a chignon and was dressed in a slightly personalized version of the company’s uniform, slacks, a dress shirt and blazer, and closed-toe pumps—along with the company’s signature lapel pin. I waited in one of the several leather armchairs in the lobby, while she phoned the manager scheduled to interview me. After a few moments, she directed me to a large conference room, which had an enormous wooden table surrounded by matching leather office chairs as its focal point. Not long after I sat down, Martin Matthews, the man I had met at the Economic Summit and who was currently on island for a few days to attend meetings, walked into the room, talking with another man. This second man, a manager named Joseph Connors, was someone I had not met before. When we all sat down, Matthews explained that—if given the position—I would be working closely with Connors.

As I explained my project once more, both men expressed an interest in “cultivating local talent” and having me come on board as an intern. I was assured of the position, but was told I would be unable to start until a month later. The trouble, Matthews explained, had to do with space—having recently relocated to St. Croix, the

company already had more employees (both hired locally and brought from the mainland) than it could accommodate. This problem was being addressed, however, as Stanford had already opened four offices and an executive suite in downtown Christiansted as well as an office in Frederiksted. In addition to these, the island was abuzz with news of Stanford's plans to build a 105,000 square foot megacomplex. Talk of this development was everywhere that summer, and when groundbreaking took place in 2008, news sources both on island and on the mainland covered the event. An article on Reuters.com noted that "the Stanford Financial Group global management complex will be located on a 37-acre site at the southwest corner of the Henry E. Rohlsen International Airport and will house the Stanford companies' worldwide management functions and serve as the head office for Stanford's operations in the Caribbean. The new, state-of-the-art facility will serve as the base for the corporate support functions of Stanford's global network of financial services companies, including the Chairman's office and the business technology, compliance, finance, human resources, investment strategy and legal departments. Stanford will also establish in St. Croix the management offices for the Stanford 20/20 Cricket Tournament and Stanford Caribbean Investments." (Guyton 2008).

In addition to Stanford's financial management ventures, his stake in the cricket market—an arena he entered during his time in Antigua—was substantial. At the groundbreaking of his St. Croix complex, he told attendees that his Stanford 20/20 cricket tournament would be broadcast the following weekend to "150 million viewers, [and] the

grand championship will have up to 500 million viewers.” (Kossler 2008). In fact, newspaper, television and radio advertisements for the Stanford 20/20 cricket tournament were difficult to avoid on St. Croix during the period of my fieldwork, despite the lack of perceptible interest in the sport. While cricket is hugely popular in Antigua, and in many former British colonies, the short period of time during which St. Croix was ruled by the British (compared with the lasting influences of the Danish and the Americans) has resulted in a lack of familiarity with or interest in cricket on St. Croix compared to sports such as baseball and basketball. The notable exception to this is that the sport is played and followed by members of ‘down island’ communities of Antiguans and British Virgin Islanders on St. Croix. Throughout my childhood, I would often walk past an auto repair shop near the center of the island that employed a number of immigrants from surrounding islands, such as Antigua and Dominica. As I walked past this shop in the late afternoons, I would watch in fascination as the employees set up the field with what appeared to be small hammers to play a sport I did not recognize. During the period of my fieldwork, I found myself walking this same makeshift cricket pitch, reflecting on the continued implications of differing colonial histories that had resulted in a young Crucian girl being entirely unfamiliar with the sport of cricket as well as the fact that such varying experiences were glossed over by Stanford in his plan to expand his empire. Such historical differences between islands and their residents continue to be significant in the current moment, and have become even more so with the addition of ‘EDC people’ to St. Croix, as long-simmering tensions between Virgin Islanders and ‘down islanders’ have been reignited in recent years as a result of the racial and ethnic tensions brought to the

fore by the arrival of this community of wealthy whites (a development I discuss in detail in Chapter 5).

While acknowledged by the mainland press, news coverage of Stanford's megacomplex was much more effusive in the local media. Invitations to the groundbreaking ceremony were coveted and seemed to signal one's status on the island, as noted by the St. Croix Source:

It was a glamorous affair. Guests walked a walkway lined with potted plants into a carpeted, air-conditioned tent the size of hotel conference center on the spot where the complex is to be. Inside the tent, well-dressed, smiling Stanford representatives directed arrivals to their spots, filling their hands with glossy materials in smartly embossed folders.

Several wall-sized photographic prints were arrayed along the back of the transitory conference center, forming a single, house-sized graphic advertising display reminiscent of a travel magazine ad.

The glossy commemorative ceremony program clutched in most hands had copies of letters from various notables, topped by a note from President George W. Bush.



‘I send greetings to those gathered in St. Croix, Virgin Islands to celebrate the expansion of Stanford Financial Group,’ the brief letter opens, above Bush’s signature in wide, felt-marker strokes.

[Governor] deJongh said Stanford’s arrival is a boon to St. Croix. ‘I think today, Sir Allen, you have given the push over the tipping point for St. Croix to take off,’ he said. ‘We used to say to people coming back looking for careers on St. Croix, ‘Have you tried the private sector?’ Now we say, ‘Have you gone to Stanford?’ (*ibid*).

Indeed, it is difficult to overstate the excitement and feverish anticipation of Stanford’s expansion on St. Croix. The St. Croix Avis noted that in addition to the office complex, he was also in the process of “building a \$38 million estate in Christiansted [which he said would] be one of the nicest houses in the world.” (Editorial. St. Croix Avis, 2008). While Stanford’s cricket interests and the construction of his personal homes were topics of discussion on the island, the enormity of the airport-adjacent complex, so located “so he will be able to bring in people from all over the world [on] his private jets” (*ibid*), dominated much conversation—and the news cycle—on St. Croix in late 2007 and 2008. An article in the St. Croix Avis gives a sense of the atmosphere surrounding the groundbreaking ceremony:

Executive Director of the Virgin Islands Port Authority Darlan Brin, who Stanford selected as the ceremony’s guest speaker [said] ‘This venture is the most

significant since Leon Hess constructed Hess Oil on St. Croix. Any person can plan, but not everyone can implement or execute and the implementation process must be organized during the planning stages. This development is an impetus to attracting new business on St. Croix; this is our gateway to the Caribbean in the financial world.’ (Wiltshire 2008).

In response to this adulation, Stanford expressed his own excitement at relocating his enterprise, summing up his feelings about St. Croix with the statement, “For me, personally I am home” (*ibid*). The grand scale of this groundbreaking was, I argue, far from accidental. Rather, the spectacle that was this event (a ceremony whose attendees included the Antiguan cricket team) was intentional—meant to increase the anticipation of Stanford and his company. Describing a failed gold mining company in Indonesia, Tsing (2005) writes, “the dependence on spectacle has not been peculiar to Bre-X and other mining scams: It is a regular feature of the search for financial capital. Rather than closing Bre-X down, mystery and drama kept Bre-X alive and growing...[it] is not the only company that has required spectacle to grow...Such companies draw investments through drama” (Tsing 2005: 57-63).<sup>1</sup>

Despite the excitement surrounding Stanford’s arrival on St. Croix, there were those who objected to this relocation. Among these critics, reactions ranged from skeptical to hostile. From residents who were merely hesitant, the explanation I received

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<sup>1</sup> See McClintock (1995) on the role of spectacle in creating unity and cultivating nationalism

most frequently was that Stanford was “just another EDC man,” albeit an extraordinarily wealthy one. These were, in part, objections to the patron model in which Stanford’s vast wealth was seen as a boon to the island and the expectation that he would donate widely to charities and handsomely pay his local employees. What is more, concerns about members of the EDC community hoping for a return to “slave days” on St. Croix were reignited in the fervor surrounding Stanford’s arrival. The characterization, and fear, of Stanford’s presence as marking a return to plantation-style relations on the island during plantation slavery seems counterintuitive, given that Stanford came to the island promising to re-invent St. Croix as a center of global finance. However, the incorporation of formerly-peripheral spaces into global processes has often resulted in just such unexpected responses, as noted by Tsing (2005), who describes increasing “friction” arising between unlikely places as a result of competing expectations of globalization and Chua (2003), whose work addresses an unexpected rise in xenophobia and ethnically-targeted violence in the current moment as a result of the entrenchment of stratification increasingly brought about by global processes. In her work, Tsing (2005) argues that “emergent cultural forms...are persistent but unpredictable effects of global encounters across difference” (Tsing 2005: 3). That is, she traces the unexpected fracturing that has emerged at the expense of the neoliberal narrative of fluidity and integration. In my own work, I attempt to complicate the responses of those who opposed Stanford’s arrival on St. Croix as beyond “anti-development” or “against progress” as advocates of the EDC program often have.<sup>2</sup> Rather, I argue that the accusations levied at the EDC program in

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<sup>2</sup> A 2002 opinion piece in the Virgin Islands Daily News reflects this position:

general, and Stanford in particular, are indictments of the unevenness of processes, both historical and contemporary. That is, Crucians who describe ‘EDC people’ as separate and Other (“dem deh”) and decry the program as a return to slavery are making an argument concerning the ways in which processes in the region—including the global financial exchanges of the current moment—result in already-wealthy white people being made wealthier by the resources of the island. That this indictment of unequal processes included the current moment of globalized capital and an actor such as Stanford was anathema to supporters of this man and the program that brought him to St. Croix. This group dismissed opposition as merely ‘backwardness’ or a lack of understanding, a position demonstrated in an excerpt from the newspaper editorial discussed in Chapter 3 in which the author claims, “the EDC program is one of the greatest economic stimulus plans to ever grace the shores of the Virgin Islands. Our ability to understand and engage the opportunity will determine the future of the people of the Virgin Islands” (Difede 2004). Indeed, at the time of his arrival, Stanford seemed, to many, to represent the very future of the Virgin Islands.

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The territory's high employment rate is the result of the V.I. Legislature and the business community taking no action to change. Unless changes are made, the unemployment rate will continue to grow and will help plunge the territory into deeper economic turmoil.

For 22 years the territory's employment has stagnated. Why? Business is disconnected and the Legislature continues to send anti-business messages, and both of these entities have done little to change things for more than two decades.

The Legislature must drop its persistent, anti-business attitude. It completely defeats the opportunities offered by the Economic Development Commission, and blocks any thoughts of expansion by existing businesses. And, businesses must stop financially supporting the anti-business senators in the hopes that these legislators ‘will at least leave me alone.’ (Editor. “Bleak Employment Picture” [Virgin Islands Daily News](#) 17 December 2002).

Beyond blanket objections to Stanford as yet another unscrupulous EDC businessman, there were those who adamantly opposed Stanford and his business in particular. One such resident was Karen, the woman introduced in the previous chapter whom I met in the post office as a result of her argument concerning Stanford and the rising cost of real estate on St. Croix. During our early meetings, held around the time of the much-discussed groundbreaking ceremony, the grounds of Karen's objections to this man and his enterprise were less than clear to me, given her penchant for frequently venturing into conspiracy theories and indemonstrable claims concerning Stanford's never-ending desire for real estate and political power on the island. I remained skeptical of her pronouncements concerning Stanford's nature and plans, including her claims that he was "just an evil man" and that he would soon be purchasing the entire historic town of Christiansted in order to convert it into a Key West-style tourist mecca. One evening after returning home from my internship at Stanford Financial, I received an email from Karen—a short message—that said simply, "Did I tell you that Stanford bought the home from [a wealthy longtime island resident]—was to be a polo field with a 200 acres + for 25 million? He also closed on the Christiansted marina." Exhausted from a day of attempting to decode financial statements, I went to bed. When I returned to this email months later, I was unable to find out how much truth there was to Karen's claims, as Stanford's personal and business assets were seized by the US federal government when he was charged with operating a multibillion dollar international fraud. What had seemed

like groundless speculation about Stanford's nefarious intentions for St. Croix a few months before had become reality.<sup>3</sup>

### **My Life as an 'EDC Girl'**

At the outset of my internships, I was unsure what, exactly, my days would entail. While my interviews at both St. Croix Fund and Stanford Financial had gone well, I was left wondering what role I would perform. Deciding it would be most productive to split my workweek between the two companies, I ultimately settled on working Monday through Wednesday at Stanford and spending Thursdays and Fridays at St. Croix Fund. From the outset, the scope, newness, and excitement surrounding Stanford compared with the size and comparatively long-term presence of St. Croix Fund told me that the environments in these companies would be vastly different.

During my first week at Stanford, my time was largely spent going through orientation, a process that mostly involved watching informational videos on the company and its history and getting introduced around the office. As was decided during my interview, I would be working closely with Joseph Connors, a likeable 40-something man from the US South who worked as a senior investment analyst. While the Stanford office I was assigned to had many local employees of color, primarily in administrative

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<sup>3</sup> Jackson (2008) argues for the importance of taking conspiracy theories and seemingly-paranoid fantasies seriously, putting forth the term 'racial paranoia' to describe these worldviews vis-à-vis racially-based suspicions and antagonisms. Jackson writes, "we can't begin to understand race today without taking [paranoid] beliefs (as wild as they may seem) quite seriously—not as points of fact but as organizing principles for how people make sense of their everyday lives and forces potentially allied against them." (Jackson 2008: 7)

and support positions, Joe was the only Stateside Black employee with whom I worked. During my internship, I was to be a junior analyst under the supervision of Joe. My tasks included researching possible investments and evaluating financial trends in order to assess the likely success of various investment strategies. Along with Joe and I, the particular Stanford office at which I worked housed 11 other employees, seven of whom were local women of color. Of these, six fit the standard profile of ‘EDC girls’: relatively young (in their 20s or 30s) and educated on the US mainland.<sup>4</sup> What was unique about this company and its employees vis-à-vis the EDC program as a whole was the styling of these workers—a difference that was a matter of degree, rather than of type. If ‘EDC girls’ were seen on the island as set-apart and somehow ‘different’ from their fellow Virgin Islanders (an issue that is the focus of Chapter 6), the local women employed at Stanford were seen as the epitome of that difference. Stanford’s great wealth, the excitement surrounding his arrival on St. Croix, and the company’s strict dress code that made no concessions to the unforgiving Caribbean heat—an issue that was particularly relevant during summer, the period of my internship—made Stanford and his employees central topics of discussion on the island among both supporters and critics. In addition to the workplace dress of slacks or skirts, blazers, closed-toe shoes, and stockings for women (a requirement that was unspoken, yet strictly observed in the office), other aesthetics surrounding the women working at Stanford marked them as different, not the least of which was the much commented-upon golden lapel pin that employees received shortly after beginning their employment. Much to my chagrin, I received a keycard

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<sup>4</sup> One woman, Ellen, was in her late 40s and had not been educated in the States.

granting me access to the building in which I worked, but was never awarded this status marker, although a woman who began at the company on the same day as I did was invited to dinner with several managers a few weeks into her employment and presented with her golden brooch. This lapel pin, an embossed gold rendering of the company's trademark eagle, was often noticed and commented upon by island residents. While having lunch with friends near the office in Christiansted, I often noticed the ways in which the staff at various restaurants catered and were particularly attentive to Stanford workers, a group that was marked apart from the lawyers and even other 'EDC girls' in the area by this pin.

Beyond the status marker of the company brooch, there were other aspects of the behavior and dress of Stanford workers that marked them as different from the local community. Shortly after Melody left Stanford to work for another EDC company, the new 'concierge' hired was Larissa, a darker-skinned local woman in her early 20s. Larissa did not relax her hair and generally wore a ponytail at work. A few weeks after she began working in the office, we were chatting when she repeatedly asked me for my advice and opinion on whether or not she should get the curls in her hair loosened by getting a chemical treatment called a texturizer. When I asked her why she was concerned about this issue, she said that it was just something she had been thinking about, and that she was wanted to have "nicer"—that is, looser—curls. Certainly, Larissa's decisions concerning hairstyle and texture are matters of personal choice. However, given her recent employment at this high-profile organization, a company



foremost in a sector widely-suspected of having unspoken hiring preferences that favor lighter-skinned local young women, I wondered about the connection between Larissa's workplace and her sudden concern with looking 'appropriate.' Further, the literature on black women's hair and notions of beauty and respectability, including Banks (2000), Candelario (2007), and Jacobs-Huey (2006), points to the significance of hairstyles beyond aesthetics.<sup>5</sup> In addition to dress, hair, and even the golden lapel pin, there was another marker—that I noticed immediately—about the Stanford employees with whom I worked. Of the twelve workers in my office, only two were unmarried (one of whom was engaged and got married shortly after my internship ended). This fact is of note, as the 2000 Census<sup>6</sup> shows that 41.7% of women in the Virgin Islands have never been married. This privileging of marriage among Stanford employees against the norms of the island further set these workers apart from much of the Virgin Islands community. Moreover, the high percentage of married employees at Stanford is striking for the region and hints at employer preferences for 'classed' behavior among its workforce. The relationship between marriage, class, and respectability in the Caribbean has been theorized by scholars, including foundational work by Simey (1946), Henriques (1953), R.T. Smith (1996), M.G. Smith (1965), and Edith Clarke (1957).<sup>7</sup> Writing in the Jamaican context, R.T. Smith's concept of the 'dual marriage system' was pivotal in theorizing marriage and class, as he analyzed the practice of upper-class white men marrying white women—

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<sup>5</sup> In her work on Jamaica, Ulysse (2007) writes, "for dark skinned females of the middle class, color is mediated through observance of the culture of femininity and dress. One of the ultimate symbols of ladyhood is her well-groomed hair. At the time my hair was permed or 'colonized'—a term I used much to the shock of the females I encountered. [Shortly after cutting] my hair to a low Afro, a female hairdresser asked me if was going to 'texturize' the new 'fro, that is soften it with more chemicals. Yet I had cut off the hair precisely to get rid of all the chemicals" (Ulysse 2007: 117).

<sup>6</sup> Data from <http://www.census.gov/Press-Release/www/2002/usvistatelevel.pdf>

<sup>7</sup> See also Douglass (1992)

while keeping lower-class black women as concubines. During the colonial period, the British in Jamaica abhorred such practices as serial monogamy and ‘visiting unions,’ yet these were—and remained—extremely common, despite British efforts to increase ‘low’ marriage rates through state-sponsored programs such as the Mass Marriage Movement.<sup>8</sup> What is more, such relationships remain common in Jamaica today: writing in 1997 on the patriarchal influence colonial ideology has on present-day gender laws in Jamaica, LaFont and Pruitt write, “serial monogamy is the norm, and most [lower-class] women have children with more than one partner.” (LaFont and Pruitt 1997: 216). Thus, the disproportionately high number of married Crucians employed at Stanford is more than simply a coincidence, but rather it is a reflection on the classed and behavioral expectations projected by the company.

In comparison to Stanford, the environment at St. Croix Fund was very casual. This small company that employed approximately ten workers at any given time was one of the EDC businesses that encouraged employees to ‘dress down.’ During fieldwork, I often heard objections to the casual dress code at EDCs. For many Crucians, the notion of arriving to work wearing flip flops was anathema and flew in the face of local notions of appropriate dress, a cultural construction common throughout much of the formerly-colonized Caribbean. Writing on the British Virgin Islands, Bill Maurer (1997) notes,

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<sup>8</sup> Clarke (1957) describes the Mass Marriage Movement in Jamaica as “an attempt to halt th[e] presumed spread of ‘promiscuity’...In 1944-45, Lady Huggins, wife of the then governor of Jamaica, launched an islandwide campaign to marry of consensually cohabitating couples and any others whose mating status and relations seemed to warrant this. This Mass Marriage Movement was initiated in response to the Royal Commission’s demand for ‘an organized campaign against the social, moral, and economic evils of promiscuity.’ However, being based on ignorance of Jamaican folk society and family life, the movement was equally misconceived in its methods and goals, and proved unsuccessful. At its greatest impact the movement lifted the Jamaican marriage rate from 4.44 per thousand to 5.82 in 1946. By 1951 the marriage rate and the correlated illegitimacy ratio among annual births had reverted to their earlier level. By 1955 the Mass Marriage Movement had petered out” (Clarke 1956: xxiii).

“BVI Islanders complain that white people and many American blacks are sloppy and lack ‘style.’ People often comment on how they dress, especially how women dress. The worst thing for a woman to do in the BVI is to wear a ‘shapeless’ or ‘unstructured’ dress. People are expected to be neat and pressed. BVI Islanders like sharp lines and shoulder pads, not flowing waves of loose fabric. Cleanliness, manners, and even morality are judged on the basis of the style and fit of one’s clothes” (Maurer 1997: 69). Although the dress code at St. Croix Fund was not the most lax I encountered during fieldwork (that distinction went to the company mentioned in Chapter 3, at which the CEO met with me wearing board shorts and no shoes), the difference between dress expectations St. Croix Fund and Stanford was significant. Moreover, behavioral expectations were vastly different at these companies: employees at Stanford rarely talked about personal matters during work hours and cultivated an air of formality when addressing each other in the office, while workers at the much-smaller St. Croix Fund frequently joked with each other and relayed stories in a mix of business English and Crucian—a dialect I never heard employees using at Stanford and one it is difficult to imagine in that context, given the solemnity of the office.

### **Working to Get Familiar**

Despite the convivial atmosphere at St. Croix Fund, my unusual work schedule that brought me to the office only on Thursdays and Fridays, combined with some initial uncertainty on the part of Fund workers about the purpose of my project (Why did I want

to study their company? Was I there to get the business in trouble with the EDA?), resulted in my fellow workers being reserved around me during my first few weeks as an intern. Even during lunchtime chats in the office kitchen, where Peter Davies often provided lunch for his workers, it was clear that office employees were restrained in their conversations with me. At Stanford, too, employees were standoffish toward me when I began my internship. In addition to the sober environment of the office, I attributed this distance to the fact that I was among youngest the workers as well as unmarried, two qualities that placed me squarely in the minority at Stanford. Feeling alienated and unsure of how to develop a warmer relationship with my co-workers, I began to wonder if my long days as an EDC intern would be as productive for my research as I had initially hoped.

One afternoon a month into my unpaid internship at Stanford, I was without either lunch plans or money for a nearby restaurant or café. Given these restraints, I decided to take lunch later in the day and to spend the hour reading the newspaper and eating in the company kitchen for the first time. Unlike the open floor plan at St. Croix Fund that facilitated chatting between the work area and kitchen, at Stanford the lunchroom was separated from the offices by a door. Shortly into my break, two of the women who had given me the iciest reception walked in, chatting about a wedding they had both attended over the weekend. Surprised to learn that these workers who behaved so formally with me and with each other socialized outside of the office, I began making small talk. Seeming slightly put off and uncomfortable by my attempts at conversation,

they nevertheless involved me in their passing commentary on various articles in that day's newspaper. Thirty minutes later, three more women walked into the room and began punching numbers into the microwave, rummaging around in the refrigerator, and dividing up the newspaper amongst themselves. As conversations took shape, it became clear that this convergence on the lunchroom was a regular event, and one that I had been missing as a result of my habit of leaving for lunch at noon, along with Joe and many of the other managers.

During that first day in the company lunchroom, I realized that there was something of a second shift for the lunch break, and that the women in the kitchen—a group of local women employed at Stanford in administrative and support positions—worked through their supervisors' absence, and took their own lunch break later in the day, at around two o'clock. This revelation stunned me, as I had long been attempting to figure out a way to get to know this group of women in a less formal setting, and there they were, talking about social happenings, the day's events at the office, and hinting at their relationships with their bosses. As I struggled to make conversation, I noticed apprehension on the part of my fellow workers and felt that I was somehow infringing on their space, a hesitance I later learned was born out of confusion about my motives for being there: Was I eavesdropping on their conversations to report back to Joe and the other managers? Would the informality of the exchanges in the lunchroom affect their employment? In my attempt to fall into the rhythms of the office, I had spent my first month unconsciously aligning myself with the managerial staff by leaving the office at

noon, thereby missing the daily lunchroom chats between the very ‘EDC girls’ I had come to study. After realizing the effect my mistimed break had on my research, and how I was perceived in the office, I began taking a later lunch hour and eating in the company lunchroom with these female employees. While these workers were paid well, and could afford to frequent restaurants in the area for lunch, they did not. Instead, they either brought cooked meals from home or purchased lunch at a nearby café, returning to the lunchroom to eat and chat with their fellow workers.

Whereas I would often run into Joe and other members of the managerial staff, their golden logo pins gleaming in the midday sun, while eating lunch in Christiansted, that was not the case with the local employees. Although they ate lunch later than their supervisors, an arrangement which meant these workers ran virtually no risk of encountering their bosses during lunch, the women still preferred to spend their lunch hour with one another in the shared space of the office lunchroom, eating and talking. These daily lunch sessions contributed to a sense of community among this group of women who were viewed on the island as incredibly fortunate, newly-prosperous—and somewhat suspicious—as a result of their employment within the EDC sector, and at Stanford Financial especially (the ambivalence surrounding local women who work in the EDC sector is discussed in Chapter 6). By taking my lunch hour later in the afternoon and eating in the office lunchroom, I was able to see behind the stoic ‘professionalism’ on display in the office. In its place, I witnessed a network of personal relationships among and between my fellow workers. I learned, for instance, that the wedding I had heard

about during my first day in the lunchroom had been of a former ‘concierge,’ and that the two women who had been discussing the event had both been bridesmaids.

### **Intra-Office Dynamics**

As a result of the time I began to spend in the company lunchroom with the local women working at Stanford, the dynamic between us began to change. Rather than the cool professionalism that characterized our exchanges throughout much of the workday, our conversations during lunch became friendly, and somewhat intimate. As Crucians who had been selected to work at the highest-profile company on the island, an organization whose CEO continued to be a central topic of conversation in the island’s rumor mill and its newspapers, our lunchtime conversations began to feel like a time of commiseration. While employment at Stanford was highly coveted, the women working at this company were subject to particular challenges both within and outside of the office. Given their recent employment, and the widespread assumption of their newfound wealth as Stanford employees, these women were alternately bombarded with requests for financial assistance and pleas for help in “getting in” (that is, landing a job) at Stanford and lectured about their poor choice in going to work for “he”—so foremost in the Virgin Islands had this businessman become that he was often referred to simply as ‘he.’ During conversations with friends, for instance, I was repeatedly asked, “You hear what he do now?”—a question that inevitably had to do with Stanford’s most recent land purchase or a development in the building of his megacomplex. During my interview

with Commissioner Bryan shortly after the groundbreaking ceremony, I raised the issue of Stanford and the Virgin Islanders who had recently begun to work for his company:

**TN:** About the groundbreaking that happened yesterday: I don't know if you got a chance to look at the Avis yet, but [I'm thinking of] the Stanford thing, and one of the quotes was, you know, "now we're 'home' and gonna set up shop here, but one the biggest roadblocks is the EDC statute as it stands today and it basically needs to be revisited because it's 'outdated.'" [What are] your thoughts on that?

**AB:** If we look at the total impact of the Economic Development program...I mean, yesterday. Yesterday, at the groundbreaking, they had three very bright young Virgin Islanders—two who had, well I should say one who has been here for a while. One who moved home, from a very firm financial background, and finally slid herself in down there [at Stanford], and one who moved home *to* work for that company. And three of them hold very prestigious positions in that company. That's what [the EDC] is about. I'll tell you, this Allan Stanford deal I think is going to do a lot to help. I think because a lot of the Designated Service Businesses are so small it's hard to notice the impact [on the island]. There are a lot of talented Virgin Islanders who live here, who are underutilized, or underemployed that will seek out employment and find employment, too.



Bryan's comment that Stanford's arrival would do much to address the unemployment on St. Croix reflected the groundswell of hope that accompanied the billionaire's arrival on the island. However, his optimism about correcting underemployment on the island was at odds with the experiences of many EDC employees working at in support positions at EDC companies who found themselves without much work to do.

In addition to having their employer—and, by extension, their decision to work for him—a matter of intense public scrutiny on the island, employees at Stanford also faced challenges from within the company. As a result of our friendlier relationship, I was able to interview several of the local women with whom I worked at Stanford. After learning more about her and her background over a few weeks of shared lunches, I interviewed Ellen, the woman from Chapter 3, who was passed over for a position because she did not have the “right kind of voice.” I was particularly interested in talking with Ellen about her experiences, as she was older than most EDC workers (in her late 40s), darker-skinned, and without the mainland US education that is the seeming-standard for ‘EDC girls.’ In talking with her, I learned that Ellen had been working in the EDC sector for several years before the arrival of Stanford Financial. Her introduction to the program came when she was hired as an assistant at a small financial management company four years earlier. That company, Ellen told me, was good to its employees, in that it paid for them to take college-level classes at the local university, if they so chose. During the workday, however, Ellen conceded that—as many Virgin Islanders suspect—

there “was not a lot of work to do” for local employees. When I asked Ellen about her impression of EDC companies and the amount of work they entrust to their employees on St. Croix, she said:

**Ellen:** Some of the companies are legitimate, and some of them are not. They just want the tax benefits. They will have a Stateside secretary transfer some work to a secretary on St. Croix—but it’s just busywork that could be done in the States. Now I see how the rich get rich and stay rich. You and me won’t even think of some of these things.

When the company that Ellen initially worked with eventually left the island to return to its Stateside operations, she applied for a ‘conciierge’ position at Stanford. After being told she was not “what we want for the front desk,” Ellen was hired for a less visible support position at the company shortly before I arrived. The feedback that Ellen received following her interview—that she did not have the “right kind of voice” and was not “what [the company] want[ed] for the front desk”—along with the disproportionate number of married employees at Stanford both speak to the company’s desire to shape people’s first impressions of Stanford Financial as populated by young, ‘proper’ Crucian women. That Ellen was ultimately hired by Stanford for a less visible position points to the company’s willingness to fulfill its requirement of hiring local employees, and in Ellen’s case a desirable worker with previous EDC experience, as long as such hires do not tarnish the company’s projected image.

Another fellow employee I interviewed was Lakisha, a 28-year old woman who worked as an administrative assistant at Stanford during my internship. Lakisha had long been aware of Stanford and his wealth and had, in fact, thought of him as something like the “king of Antigua,” as both of her parents immigrated to St. Croix from that island and described his many successful business ventures there. During my conversation with Lakisha, I asked her if she was happy with her decision to work at Stanford. At the time I asked the question, I had in mind the rumors surrounding the company and the restrictive dress and behavioral codes in the office. However, in response, Lakisha talked about some of the challenges she faced from within the company:

**Lakisha:** I’m happy with the opportunity I have to grow, but I have had some personality conflicts with superiors because of some prejudiced comments. Like, one person [within the company] asked me ‘You have a movie theater here? Does it have air conditioning?’ As if we watch movies in a shack! This isn’t the States. Things aren’t as big, but we have stuff! Anyway, sooner or later they will realize they are living in the Caribbean and St. Croix don’t play.

Lakisha’s comment that “sooner or later they”—that is, ‘EDC people,’ and specifically higher-ups at Stanford—“will realize they are living in the Caribbean and St. Croix don’t play” hints at the racial tensions that have increased on St. Croix with the arrival of EDC businessmen and their families, an issue that is the focus of Chapter 5. This specter of racial violence that hovered over St. Croix during my fieldwork was

attributed by my friends and interviewees to the arrival of ‘EDC people,’ their perceived ‘racism’

Charges of racism against ‘EDC people’ were common on St. Croix at the time of my fieldwork. As evidence, residents cited examples as disparate as their inability to secure work in this sector, impolite exchanges with ‘EDC people’ at restaurants and their presumed desire for segregation on St. Croix. In talking with Lakisha, I mentioned my own experiences with preconceptions—expectations she immediately saw as racialized—in my research: Explaining that when I went to conduct interviews at EDC companies, the white CEOs and managers were often visibly surprised that I was born and raised on the island. I went on to tell Lakisha that I was frequently asked, “You’re from here?” or “Where in the States did you move from?” As I recounted these experiences, a light of recognition shone on her face and she began nodding knowingly. “Yeah,” Lakisha said, “they think you have to be a dumb, black local.”

While Stanford Financial dominated much conversation on St. Croix during my fieldwork and internships, the same was not true of St. Croix Fund. As a small hedge fund, the stirrings of economic unrest on the US mainland began to affect this company in the summer of 2008. With much of their attention drawn to calming skittish investors and attracting new clients, I was unable to talk much with the few members of management at this company. In their absence, I was able to spend time with the support staff, the three local women working at the company—however, when I began to talk

about the EDC sector, the conversation inevitably turned toward my internship at Stanford. I was asked “What is it like?” and “Have you met him?” “What do you do there?” One day, near the end of my internship, I told Peter Davies I had to leave the office early, as I was expected at a Stanford employee appreciation mixer. On my way out, I was surprised when an assistant who had remained suspicious of my motives and rarely spoke to me stopped me near the door. Eyeing the silk dress and blazer I had changed into for the event, she said to me “You know, *I* was invited to interview at Stanford, but I said no.” While I was never able to get her explain this statement—or her reasons for declining the Stanford interview—the implication seemed to be that while she worked at an EDC company, employment at Stanford was a line she simply would not cross. Her reading of me, then, as an ‘employee’ at Stanford Financial, a company at the very epicenter of local debate during my fieldwork, seemed to be that I had somehow been co-opted by the corporation and betrayed the local community—one of the competing understandings of the often-envied local women working at Stanford.

As if to encapsulate the distance between most island residents and the rarified group chosen as Stanford employees, the staff appreciation mixer was held at Sir Allen’s private office, housed in a mansion in Christiansted overlooking the historic town. As I glanced around the room that evening at the Stanford employees, my attention was drawn to the local workers, Virgin Islanders who were simultaneously admired, envied, and resented on the island. That evening, as we were surrounded by crystal, teak, and marble, and being offered appetizers by the *owner* of one the island’s tony restaurants, it seemed

to me that this evening, this event, encapsulated both the hopes of EDC advocates and the fears program critics expressed about the initiative further enriching the already-privileged.

### **Quarterly Meetings**

A few weeks into my internship at Stanford, Joe buzzed me on the intercom to come upstairs to his office. As I sat down, he explained that the company held quarterly meetings throughout the year, meetings that would now be held in the USVI in order to fulfill EDC mandates requiring business be conducted in the territory. As a result, Joe said, he and I, along with his fellow investment analysts, would be working from a nearby resort. The next morning, promptly at 8:30 a.m., I arrived at the conference room at The Ocean Hotel, a nondescript, airless room with gray walls where I would be meeting, along with Stanford analysts from around the US, for the next two weeks. After pouring a cup of coffee and finding Joe, I sat down and listened as he named the people in the room and explained their roles. The twenty Stanford employees at these quarterly meetings had all traveled to the island to review the investment strategies they employed on behalf of their investors. Besides Joe, myself, and a third Stanford employee from the St. Croix office (the woman who began her employment at the company at the same time as I did), all the analysts in attendance were white, although two had brought their assistants, resulting the presence of two Hispanic women in the room. Over two-thirds of the group was male and they were generally in their mid-30s to early 40s. The leader of

this group was a white woman named Laura Pendergrass, a manager who constantly corralled the group, keeping the attendees focused and on topic. On that first day of the meetings, I wondered what the women back at the office were doing while I spent these two weeks at The Ocean, listening in as the analysts argued over investment possibilities around the globe. As I silently bemoaned my bad luck at being taken to these two-week meetings, I realized the group was breaking for lunch, a meal that we would all eat together at the hotel. While I suspected this would be a very different experience from the lunches I had recently been having with the female Stanford employees in my office, I was nevertheless excited to leave the conference room and escape the talk of stock ticker symbols that had dominated the morning session.

Over lunch on the patio of the hotel's main restaurant, I chatted with Joe and Laura, suggesting local sights she might enjoy. Unfortunately, she would not have much time for sightseeing, Laura explained, as she and her husband were leaving on a ferry for the British Virgin Islands the next afternoon, heading to a private island they had rented for a long weekend. As my shock about the amount of wealth these employees possessed subsided, Joe caught my eye and changed the subject, telling me that during the quarterly meetings, attendees regularly went out to dinner together, and would be dining at restaurants around the island nearly every night of the two-week period. Excited about the prospect of gauging Virgin Islanders' responses to me as a part of this group (that is, would I be viewed or treated differently when people saw me as part of a group of Stanford employees?), I asked Joe to let me know which restaurants were chosen. One

Friday evening near the end of the meetings, I excitedly got ready to go to dinner with the group at Coral Point. This Friday evening dinner was something of an event, a tourist display complete with steel pans and colorfully-dressed stilt walkers that was always well-attended. As our group of ten settled into our seats, I was disappointed to realize that I did not recognize anyone in the dining room outside of my group. Given their short stay in the territory and lack of company lapel pins at this dinner, this group of diners, wealthy men and women brought to the island by the EDC program, went unrecognized. The amount of power and money they wielded also went unrecognized that evening, as stilt walkers posed for pictures and the crowd swayed to the sounds of calypso music and crashing waves. Would this group of analysts realize the impact of the program in which they were participating, I wondered? This scene once again brought to my mind the centrality of *mobility* to this program—that is, the ability of these US-based Stanford employees to move nimbly between the mainland US and St. Croix, capitalizing on opportunities and remaining privileged across boundaries that are economically insurmountable for many Crucians. Here, scholarship on mobility (for instance, Basch 1994; Kaplan 2002; Sheller 2003), particularly Aihwa Ong's (1999) work on 'flexible' citizens—privileged subjects Ong describes as “multiple passport holders” able to take advantage of opportunities across national borders—is particularly relevant. Likely unaware of the significant impact of their company on St. Croix, these employees were able to fly into and out of the island on a moment's notice and without a second thought. Once the Stanford megacomplex was built, they would be able to do so without ever setting foot on the island beyond the company gates, much like the state of affairs in that



other source of Caribbean economic development, the export-processing zones that allow international companies privileged access to the region and its labor. Long after these analysts returned to the US mainland, residents of the Virgin Islands would be dealing with the social, cultural, economic implications of the EDC program and its beneficiaries. As I took in the crowd, my mind returned to Laura and her husband, away on the private island they had rented. “Could the EDC program, through companies like Stanford Financial, create similar opportunities for Virgin Islanders?” I wondered. That question went unanswered, as the next time I saw Laura was a Saturday morning in February 2009 when I opened the Business section of the New York Times and saw her in handcuffs being escorted to court to address the charges of fraud brought against Stanford Financial.

### **More of the Same: Stanford Indictment**

After returning to the States at the end of my fieldwork, I received an early-morning phone call from a friend living on St. Croix: “Can you believe it?!” Wanda shrieked. Having no idea what she was talking about, I was stunned when she told me that Allen Stanford had been charged with fraud and his assets frozen by the federal government. In disbelief, I called several friends on St. Croix, all of whom told the same story: They woke up one morning and Stanford, merely the largest and most conspicuous in a long line of disreputable companies lured to the island by an economic development initiative offering enormous savings, had closed its doors amid as many rumors as had surrounded its opening. In early 2009, the tone in the local media concerning Stanford

seemed to be one of muted surprise: Given all the excitement surrounding the company's move to the island and the vocal endorsement of the local government, it was a huge blow to St. Croix when Stanford Financial was alleged to be a pyramid scheme, and Sir Allen was charged with perpetrating massive fraud. Yet, Crucians had experienced this betrayal—and from within this sector—before. The ongoing criminal case against Company X mentioned in Chapter 3 had also dealt a blow to the EDC program and the island as a whole, but even that notorious case was far from the first of its kind. Nor is this unique to St. Croix. All across the Caribbean this is a familiar story as factories and export-processing zone (EPZ) industries lock out workers without warning.<sup>9</sup> In Safa's (1981) work on 'runaway shops,' she notes that these "physical plants involve minimal investments—they are often rented from the host governments—and manufacturers search constantly for new sources of cheap labor. Both of these factors facilitate plant closings and relocation." (Safa 1981: 430). In her discussion of the unlikely partnerships that have emerged as a result of globalization, Tsing (2005) describes constructed spaces such as EPZs, writing, "in the deregulation zones where government is at the end of its tether, capital can operate with the hyperefficiency of theft" (Tsing 2005: 45).

The forced closing of Stanford Financial, the pinnacle of the EDC program and the hopes for St. Croix, reinforced the suspicion with which many Crucians had long viewed the program. The fact of Stanford's assets being frozen by the federal government

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<sup>9</sup> Companies operating in export-processing zones have used worker lockouts to curtail attempts at unionizing as well as a means of notifying workers of the company's closure. Dunn (1999) writes that for EPZs "there is still a far way to go in accepting the principle of workers' rights, as some companies have moved their operations elsewhere rather than accept a unionized workforce." Films such as *Life and Debt* and *Zoned for Slavery* depict such instances of worker lockouts, while Brooks (2007) describes the lockout of more than 5,000 from a Bangladeshi EPZ in her work.

left the previously much-envied employees of the company “locked out of their offices and without paychecks” or access to their retirement funds (Baur 2009). While this turn of events was humbling, no one I spoke with—even the most outspoken critic of Stanford and his company—expressed any pleasure at the comeuppance of these formerly envied Virgin Islanders. That Crucians did not relish the fall of Stanford’s local employees suggests a recognition of the fleeting nature of their EDC privilege and the possibility of their reintegration into the community. The frequent federal investigations of EDC companies and their subsequent closings perhaps prepared Crucians for such an eventuality at Stanford as well as armed them with the knowledge that while new social and class arrangements are created on St. Croix by the EDC program, these emergent hierarchies are far from fixed and fall away when companies leave. As will discuss in Chapter 5, Tsing (2005) points to such shifting relations vis-à-vis circulations of global capital in her notion of ‘frontier zones.’

In addition to recognizing the fleeting nature of local EDC privilege, the local reaction to Stanford’s closing also points to the ambivalence with which these workers had long been viewed: while the privileges and status garnered by their employment at Stanford were envied, these women were never viewed as ‘EDC people’—that is, *global* elites. Rather, their privilege was relative and grounded in local networks (as I have argued throughout, much of the resentment directed at ‘EDC girls’ has to do with the fact that employment in this sector further increases existing stratification between these middle-class women and poorer Crucians). In Chapter 6, I address the importance of

consumption vis-à-vis ‘EDC girls,’ but here is relevant to note that the spending patterns and of these employees are subject to vastly different expectations than those of ‘EDC people’: where the wives of EDC businessmen are understood to spend their wealth on charitable causes (and clothing themselves for related events), Crucians hold the spending of ‘EDC girls’ to a different standard, expecting their EDC salaries to benefit the community in ways that the spending of ‘EDC people’ fails to do.

In order to assist the newly-unemployed Stanford workers, the Department of Labor held an emergency information session, a seminar whose events were outlined in a St. Croix Source article:

With dozens of St. Croix employees of Stanford Financial Group suddenly left jobless in the wake of allegations of massive fraud, court orders appointing a receiver and freezing the assets of financier Allen Stanford, the V.I. Labor Department held a rapid-response workshop to help them sign up for unemployment benefits.

The Securities and Exchange Commission filed a complaint against Stanford in February, alleging fraud at the Antigua-based Stanford International Bank, triggering the freezing of assets and closures on St. Croix and elsewhere.

The department's Rapid Response Workshops are designed for mass layoffs or plant closings, to provide workers who were severed from their places of employment with vital information about the various services available to them to help in the transition.

About 38 former employees came out for the workshop Wednesday.

The newly unemployed run the gamut from information-technology professionals to investment analysts to electricians. What they all share is a sudden employment crises and financial uncertainty. "I sold my house and moved here with my family to take this job," said [one attendee], an IT professional who join[ed] Stanford a year and a half ago. "Now my family is here, my house is here. I've been looking off-island for work. I will probably have to leave my family here and let my kids finish school while I look for work. It's been a struggle." [A Department of Labor official] had good and bad news for the workers. The amount of unemployment benefits depends on both the employee and employer contributions to unemployment insurance." For you to get the employer share of the contributions, the employer would have to have deposited their contribution," he said. But not all Stanford's employer contributions had been made, and with all the assets frozen by the receiver for now, it is not clear when or if those employer contributions will be made (Kossler 2009).

The local response to the closing was anger directed at Stanford himself—and at the local government for its unquestioning embrace of his investment in the island. An article entitled “Pipe Dreams and Ponzi Schemes: Is This the Promise of the EDA?” posted on VirginIslandsWatch.com in March 2009 captures the sense of betrayal in the territory:

Why is it that the Virgin Islands keeps popping up in scandal after scandal? In addition to engaging in its own share of corruption the Virgin Islands seems to invite corrupt (or, at least questionable) individuals. What’s next?

Pipe dreams & Ponzi schemes: is this the promise of the EDA?

Allen Stanford has been accused of owing more than \$226 million in back taxes and of running an \$8 billion Ponzi scheme. In the article posted on Bloomberg news, all Governor deJongh could say was:

*“I’m disappointed,” de Jongh said in an interview at Government House in Christiansted, St. Croix’s largest town. “Clearly he was a large player within the Caribbean, but also I’m very disappointed from the standpoint of the number of Virgin Islands families that are affected.”*

Pipe dreams & Ponzi schemes: is this the promise of the EDA?

What about disappointment that his veters missed some glaring discrepancies - namely multi-millions in disputed taxes. Did this not raise a red flag? Then again, after the Rodney Miller debacle we know that ethical discrepancies mean nothing when welcoming non-Virgin Islanders to rape our community.

Thankfully, the economic collapse exposed Stanford. Yet, the Governor is disappointed that the promised billions Stanford was to invest would not be forthcoming. Stanford's demise is a blessing in disguise. Right now, Antigua and Barbuda had to undertake emergency measures to seize Allen Stanford's property in hopes of preserving the jobs he "brought to the community." Just think, Virgin Islanders - had Governor deJongh not been "disappointed," this could be our lot!  
Oh Joy!

How many schemers have we welcomed to the Virgin Islands that have yet to be exposed? How much snake oil has Governor deJongh sold us?

Pipe dreams & Ponzi schemes: is this the promise of the EDA?

It is coming to the point where we must question everything. It is coming to the point where all actions of the VI Government must be scrutinized with an air of distrust. It is coming to the point where we need to resurrect the Three Queens

and “let fire burn!”

Answer the call: Virgin Islands for the Virgin Islanders...those at home and those abroad! (Ballentine 2009).

The claim in this article that “non-Virgin Islanders” are welcome to “rape our community” relies on a binary of us/them, which pits ‘Virgin Islanders’ (a fraught category that continues to be subdivided, a development I discuss in Chapter 5) against ‘non-Virgin Islanders’ (that is, ‘EDC people’). What is more, the invocation of the ‘Three Queens’ and Fireburn (the slave uprising on St. Croix discussed in Chapter 2) in relation to Stanford’s indictment demonstrates the way in which, for many in the Virgin Islands, the EDC program does not represent a radical break with the past and move toward a new global integration, but rather a revisiting of earlier processes of inequality and discrimination. Thus, the charge that the EDC program marks a return to “slave days” makes clear the logic behind the final line of the article, a call to action against the ‘non-Virgin Islanders’ in the territory. This specter of racialized violence, the focus of Chapter 5, belies the notion of the decreasing centrality of race vis-à-vis globalization. Instead, this tension between (black) Virgin Islanders and the (white) ‘EDC people’ attracted to the island by the promise of decreased tax liability speaks to the increased, and unexpected, xenophobia of the current moment theorized by scholars such as Chua (2003).



In the national press, the coverage of Stanford's indictment was equally damning. The economic crisis continuing to envelop the US in early 2009, a catastrophe that was attributed to greed on the part of many in the financial services industry, resulted in a backlash against investment bankers, traders, and financial managers in general. The impact of the recession on the American public was significant—unemployment rose to the highest numbers in decades, homeowners with rapidly escalating mortgages found themselves unable to pay and facing foreclosure, business owners reliant on consumer confidence saw their business wither. The effects of the US economic crisis were equally pronounced in the financial services sector, as several major investment banks closed, many others survived as a result of US government intervention, and countless smaller banks and hedge funds—including St. Croix Fund—shuttered their doors as a result of the contracting economy. The arrest of Bernard Madoff on charges of carrying out a \$50 billion Ponzi scheme further angered the American public, and news of the charges against Stanford only fanned these flames. An article in the New York Times in February 2009 describes the meteoric rise of Stanford in terms that echo Lakisha's comment that he was seen as the 'King of Antigua':

When Robert Allan Stanford arrived [in Antigua] in the early 1990's, few locals had ever heard of the Texas financier. Today, he dominates so many aspects of life on this sun-drenched Caribbean island that some have taken to calling it 'Stanford Land.'

At one point or another, he has owned an airline that many locals and visitors fly on. A local newspaper that covers their goings-on. A vast residential complex where many live. Two restaurants where they eat. And the national stadium where they go to watch cricket, the island's favorite sport.

But the crown jewel of his domain has long been Stanford International Bank, an offshore institution that attracted billions of dollars of cash from clients around the world—and especially from Latin America—seeking a haven for their wealth.

Despite raised eyebrows and occasional investigations of Mr. Stanford—or Sir Allen, as he is called here since he was knighted by the Antiguan government in 2006—his sway has continued to grow. That is, until this week, when the Securities and Exchange Commission accused Stanford International of orchestrating a huge fraud that may have bilked investors of some \$8 billion that regulators say cannot be accounted for (Krauss 2009).

In the weeks following the initial allegations, Stanford's assets were frozen and he, along with several high-ranking officials within Stanford Financial, were arrested. As the charges mounted, the always-present criticisms of Stanford intensified and long-skeptical observers seemed prescient. In a May 2009 article in the *New Yorker* focusing on the events surrounding Stanford's fall, the author recounts the ceremony at which both the Antiguan-born author Jamaica Kincaid and Allen Stanford were to be honored:

Some on the island have always thought of Stanford as a freebooter who has prospered magnificently on their shores. Jamaica Kincaid was born and grew up in Antigua, and wrote a fierce portrait of the island, "A Small Place." At the ceremony at which Stanford was knighted—with Prince Edward in attendance, and marching bands—Kincaid also received an award. When Stanford approached her, she refused to shake his hand.

"Your honor demeans my own," she told him.

[In speaking with the author, Kincaid said,] "He's always been a crook and everybody knows it. Stanford is a standing scandal in Antigua - he's both a joke and a benefactor. In Antigua there's always a man, a person who comes in from the rest of the world—a pirate. Piracy is very close to Antiguan history. They've been coming and hiding money and stealing for hundreds of years. This man comes to Antigua and corrupts the place, and everybody's happy because they're making money.

"The ones who aren't benefitting from it, like me, are the opposition," she continued. "In the papers, after I refused to shake Stanford's hand, I was rebuked by Sir Vivian Richards, the great cricket player, who I had no idea was in with Stanford." She then brought up the airport, "the most holy place" in Antigua, she said. "What Stanford did was he bought land around the airport and transformed

the airport. When you go into it now, there are those lovely gardens--he has great taste in gardens. When you came to it in the past, it was just sort of an airport in the tropics. People came to feel it was just a matter of time before Stanford called it the Stanford Airport. No longer, I suppose. I can't tell you how sweet it is" (Wilkinson 2009).

Kincaid's choice of piracy as the metaphor with which to describe Stanford is particularly apt, and ironic, given his earlier professed desire to rid the region of "pirates in the Caribbean." Sheller (2003) also understands current global processes circulating through the Caribbean as instances of piracy:

In contrast to the restrictions on labour mobility, the Caribbean has become a leader in the free-booting flight of capital across international borders. Money itself is a crucial liquid asset which has been subject to wrangling over the ease of its illegal movement into and out of weakly regulated banking sectors in the Caribbean...As in the days of piracy and 'freebooting,' the Caribbean has come to be associated with interruptions of the 'normal' flows of capital, as well as with forms of smuggling and drug-running which subvert (yet support) the formal regulated economy (Sheller 2003: 33)

The flood of salacious stories covering Stanford's fall in mainland media outlets like The New York Times, Newsweek, Esquire, ABC News, MSNBC and more did little

to alleviate the difficulties faced by Stanford's former employees. Attempts to help these victims were more difficult to come by and they were largely left to fend for themselves. On St. Croix, many of the Stanford employees who relocated to the island with the company have since left. For local workers, once the object of envy and suspicion as a result of their affiliation with the program and this celebrated company, the loss has been substantial. It remains to be seen how these employees will be viewed in the community in the months to come. Despite the excitement surrounding Stanford's arrival on St. Croix and the promises of newness and increased incorporation into global financial markets, the collapse of this company, yet another EDC to disappoint the island and its residents, was a familiar story for Crucians. Much like the situation that resulted when industrial companies pulled out of the island and the region en masse in an earlier moment, and tourism campaigns of the current moment, St. Croix is left with a gaping hole once filled by the promise of economic development.

In this chapter, I have outlined the arrival and demise of what was to have been a model EDC company. Using my experiences as a resident of St. Croix at the time of the fanfare surrounding Stanford as well as an intern at the company, I have shown the centrality of this business—and the ambivalence with which it and its CEO were received on St. Croix. My interactions with my fellow employees of Stanford, a group at once surrounded by envy and suspicion in the early days of Stanford's arrival and sympathy at the end, have centered the focus on the *people* and lives affected by global processes that are all-too-often theorized as faceless and beyond the level of the individual. Thus far, I

have also hinted at the increasing race- and place-based tensions on the island since the arrival of 'EDC people' such as Stanford and his peers. In the following chapter I will address issues of race, racialization, and charges of racism through globalization.

## **5. Racialization and the EDC Program**

As the sun set early one evening over Crystal Bay, a seaside resort on St. Croix, I hurried over to the pool and was greeted by the sight of three enormous white canopy tents strung with lights covering the better part of the large deck surrounding the pool. Attempting to follow the directions of the office memo that brought me here, I was there, along with my Economic Development Authority (EDA) co-workers, dressed in my best estimate of ‘island elegant’ clothing: white linen pants and a sky blue top. We were there for a ‘meet-and-greet’ cocktail reception between the agency and the Economic Development Commission (EDC) beneficiaries it governed. While I had only recently begun ‘interning’ with the EDA, I quickly realized this was an attempt not only to bridge two vastly different worlds, but also to foster better communication across them, as the government’s ‘anti-business attitude’ was often noted by beneficiaries. As I walked over to the tents, searching for a familiar face, I saw clusters of breezily-dressed men wearing silk and cotton shirts dominated by pineapple and coconut themes and a few women in pastel-colored sundresses. Spotting someone I knew from the office, I rushed over and grabbed one of the few remaining seats at the EDA table and began chatting with my co-workers about the night ahead.

Although I had only been working at the EDA for a few short weeks before that night at Crystal Bay, I had already heard rumblings about beneficiaries’ frustrated expectations of friendliness and service at the EDA office, and witnessed firsthand some

of the differences between daily life at the EDA and EDCs. Initially, the most glaring difference was that the government office consisted entirely of people of color, while the EDCs that I had visited had been overwhelmingly white. As time went on, however, I found other contrasts nearly as striking, including the frequent lapses into the dialect of Crucian at the EDA, compared to the strictly (self) policed ‘proper’—or business—English spoken at EDCs. Beyond linguistic, or even racial, differences, the chasm between the EDA and EDCs was also demonstrated through ideological differences; while it is the job of government employees at this agency to work closely with EDC applicants and process their requests, they were steadfast in their view of these applicants as ‘dem deh’—that is, distinctly different from ‘us.’ The unsteady ‘us’ here refers to St. Croix-born Crucians and workers who had immigrated from surrounding islands. Given the office tensions between these groups, rooted in decades-long tensions between ‘down islanders’ and self-identified Crucians, this coalition was unsteady—yet these real and important divisions often receded when faced with ‘EDC people.’

While I knew at the outset of my fieldwork that working with EDCs would be crucial to this project, it was not until I began the process of interviewing at these companies and hearing businessmen recount their often onerous experience of joining the program that I realized it would be equally important to work with the agency responsible for making this process so “frustrating” for them. Charged with monitoring existing beneficiaries as well as processing new applicants, the EDA ultimately served as my first internship during fieldwork. Lasting five months, this unpaid internship at the agency



allowed me to glimpse into the inner workings of the program as a whole, providing me with familiarity with companies receiving EDC benefits, and, equally importantly, those with applications in process.

### **Between ‘Slave Days’ and Globalization**

Beginning with my time at the EDA, this chapter lays out the experiences I had as a worker affiliated with the program, including intra-office tensions over birthplace and belonging. Here I will also present interviews, newspaper articles, and excerpts from informal conversations with local residents to demonstrate the increased polarization and racial tension on St. Croix since the inception of the EDC program. Taken together, this material will support my argument that the EDC is not an entirely-virtual financial program demonstrative of a radical break with the island’s racialized past, nor is it a straightforward recurrence of white domination of the island in the model of slavery and colonialism. Rather, the experiences and conversations I gathered during fieldwork support an understanding of the EDC program as representative of a new moment of globalized processes and the incorporation of a formerly-omitted island into global circulations while maintaining elements of race, class, and gender that are reminiscent of earlier processes in the region. As noted by Deborah Thomas and Karla Slocum, “many scholars [of the Caribbean] have sought to clarify the continued salience, both structurally and symbolically, of colonial hierarchies that were established along the intersecting axes of race, class, ethnicity, gender, and culture. At the same time, they have

attempted to account for the ways these hierarchies have changed in the contemporary period.” (Slocum and Thomas 2003: 554). This dissertation as a whole, and this chapter in particular, adds to that body of work that seeks to address elements of the past in current processes.

### **Local Reaction to the EDC Program**

From my very first days at the EDA, the ambivalence with which many Virgin Islanders regard the EDC program was strikingly clear; as something of a ‘representative’ of the agency—although I quickly made clear my actual position as an anthropologist *studying* the program, rather than an employee or advocate—I received overwhelmingly negative reactions, ranging from curious stares to statements such as the aforementioned “I hope you gone study how they does discriminate against we.” I had been aware of the complexity of local reaction to the program—in fact, this was a large part of what drew me to this project initially. However, I had not anticipated the level of frustration I ultimately encountered from Virgin Islanders: one afternoon as I was shopping at a boutique in town<sup>1</sup> for a dress to wear to a friend’s upcoming wedding, a woman whom I had come to know in passing came in and asked how long I had been back on island and where I was now working. As we entered separate dressing rooms, I offhandedly said that I was on St. Croix “studying the EDCs,” to which she responded—over the divider that now separated us—“they’re getting over on the Virgin Islands [and] we’re not getting

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<sup>1</sup> Christiansted, one of two town centers on St. Croix, is generally referred to as ‘town.’ The other center, located on the western end of the island, is Frederiksted.

enough back for what the EDCs are getting.” Echoing the sentiment in the editorial mentioned earlier that the USVI was “giving away the cow and the milk,” this response was common from longtime St. Croix residents. Many recently-arrived ‘EDC people,’ however, saw the situation differently, arguing, as one beneficiary told me, that “sure [we’re] getting tax breaks, but [we’re] also contributing to the local economy. And besides, the money we’re saving isn’t that much.” As I would soon realize, the vast difference between these views of the program had an enormous impact on the island.

While the EDC is the most well-known program run by the EDA, it is only one of several economic development initiatives under the auspices of this agency. Importantly, the other programs of the EDA focus on nurturing local businesses and entrepreneurs—yet these initiatives do not receive anything like the level of attention garnered by the U.S. capital and its handlers targeted by the EDC. The disproportionate level of attention received by the EDC was addressed during my interview with Commissioner Bryan:

**TN:** As the chairman of the EDA board, I’m interested in what you see as the role, the impact of the EDC, particularly on St. Croix in relation to other things like tourism, which has historically been the way most Caribbean islands stimulate their economies.

**AB:** What the vision is? When you talk about the EDC, you’re talking about it as that division of the EDA...Not all the tools of the EDA, just that program. I see

the EDC as one tool for economic development, if you will. And the way that ties into the economy is attracting new money to the territory. I mean, yeah, people like to concentrate on small business, but if you're spinning the same money around over and over again, it doesn't really make any difference... I think it's important for us to create turns in our economy, create opportunities for *new* money to come into the economy...

The other 'tools' at the disposal of the EDA referred to by the Commissioner in the above passage are the Government Development Bank (GDB) and the Small Business Development Association (SBDA), which grant loans of varying amounts to business owners who have resided in the Virgin Islands for 5 years or longer. The agency's other 'tool' is the Enterprise Zone, a program that encourages renovation of historic buildings and neighborhoods that have become abandoned and dilapidated as a result of de-industrialization.<sup>2</sup> Again, while the EDC is something of the 'poster child' for the program—and an unpopular one, at that—these other programs of the EDA are also attempts to revitalize the local economy. It is of note that of these programs, the EDC is the only initiative focused on attracting outside investors. As with Operation Bootstrap in Puerto Rico, the many industrialization-by-invitation programs formerly operating in the Caribbean, and tourism in the current moment, the EDC program relies on foreign capital for its success. As a result, the structure and requirements of this program are necessarily, at least in part, set elsewhere. Depending on both foreign capital and its agents (i.e. 'EDC

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<sup>2</sup> For more on the project of de-industrialization and its effects on cities and urban minorities, see, for example, Kelley 1997.

people’) puts St. Croix at a disadvantage for negotiating these global processes and maintains many of the shortcomings of earlier development programs, both those that relied on plantation agriculture and those aimed at encouraging industry. These include: “a structure of local demand shaped by expatriate needs; the destruction of industry...and the growth of absentee landlordism under a new guise, in which the outsider shareholder replaces the colonial planter” (Lewis 1972: 16). Gordon Lewis’ concerns about the danger inherent in development based on foreign capital are echoed by local objections to the EDC program meeting the needs of global capital at the expense of St. Croix. The comment that EDC’s are “getting over on the Virgin Islands [and] we’re not getting enough back,” spoken by the woman I ran into in a clothing store in town, is but one example of the widespread dissatisfaction with the power dynamic currently operating in the USVI.

Unlike St. Thomas and St. John, the economy of St. Croix has long been in need of “new money,” as noted by Chairman Bryan. This need, of course, is what led to the creation of the EDC program in the first place. However, the ‘newness’ of this money is also at the foundation of critiques of the EDC. More specifically, both the ‘newness’ and the ‘foreignness’ of EDC people and their money are of great concern to Crucians. For many residents, while the money circulating through the territory may be new, the processes that facilitate its arrival and the power dynamics it creates on the island harken back to earlier moments of colonialism and “slave days.” This assessment of an economic development program focused on attracting outside capital as a return to “slave days”

captures the central dynamic I address in this chapter. Neither wholly-new nor an exact replica of past processes, the EDC program contains aspects of both of these readings.

### **Segregated Neighborhoods: Access to ‘EDC People’**

Near the beginning of my internship with the EDA, I was able to tour the Industrial Park,<sup>3</sup> a site whose name and warehouse structure are holdovers from the program’s roots in industrialization.<sup>4</sup> Once filled with manufacturing tenants including seamstresses and watchmakers, the Park is now largely uninhabited and has fallen into general disrepair.<sup>5</sup> The Industrial Park stands as a visual reminder of the shift from manufacturing to finance that enabled the creation of the EDC. A physical remnant of the past, with gaping bays where formerly-thriving manufacturing business once stood, the Park now houses a very few EDC companies, primarily technology and financial management companies that are better suited to small offices than the enormous hangars offered by the Park. This juxtaposition of old and new, of past and future, is central to my analysis of the EDC program, as I argue for its existence as an instance of cutting-edge global financial circulations and as well as a program that contains elements of classed, raced, and gendered hierarchies all too familiar on St. Croix and in the Caribbean broadly.

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<sup>3</sup> Taken together, these warehouses spread over 150,000 feet and are officially known as the William D. Roebuck Industrial Park

<sup>4</sup> In the 1970’s the program currently known as the EDC began as the Industrial Development Commission (IDC).

<sup>5</sup> At present, the Park is largely empty. At 44% occupancy by EDC companies, this area is in need of repair including attention to leaking roofs and peeling paint <sup>5</sup> “Virgin Islands Economic Development Authority Annual Report FY 2007.” *Economic Development Authority* 2007: 15

In order to get varied experiences with the program, I interned both with the local government and two companies receiving EDC benefits. As laid out in the previous chapter, these companies were vastly different: One was a global financial management firm that had the reputation on St. Croix of being a cult while the other was a two-partner hedge fund that employed ten workers. It was important for my research that I work with companies receiving EDC benefits, as the general residential and social separation, or as many Crucians argue “segregation,” of ‘EDC people’ from the island community made it difficult to get a clear picture of this community from outside. During a conversation with Veronica, the woman from Chapter 3 who spoke about the prevalence of private school graduates as EDC employees, I mentioned the difficulty I was having engaging ‘EDC people’ before beginning my internships. In her response, she pointed to the social insularity of the EDC community:

**Veronica:** Since a lot of the heads of these companies are from the States, and, you know, they’re kind of new to the island, it’s kind of like a little subculture. I guess they all have things in common and they’re new to the island...

**TN:** So, what kinds of activities do they plan [for themselves and their employees]?

**V:** Well, my boss owns a yacht, so he would have little outings on the...yacht. We all went and it was mostly the heads of EDCs and some of their employees. We were just socializing.

Pushing a bit further, I asked Veronica not just about the exclusivity of 'EDC' circles, but also about the ways in which their presence on the island had changed certain spaces. Having talked with Crucians informally for months, I had heard much about changes to places such as restaurants, bars, and even grocery stores since the arrival of 'EDC people':

**TN:** Have you noticed a split or tension, when just hanging out? Like, 'this is where EDC people go,' 'this is where other people go,' and people who aren't part of the EDC circle aren't welcome in certain places?

**V:** Maybe to an extent. I try personally not to like, I mean I come here and I do my work and that's about it. I mean, it's good to make friends with the people you work with, but I don't go out of my way to hang out or get to know other EDC people. Just because a lot of them, I'm not into the whole economics field and a lot of these companies are financial companies, and that's just not my thing so I really don't, I guess, deal with that. But I mean, that I think there probably is a split...



**TN:** Do you remember when I was living out [on] East [End] and there was a concentration of EDC people out that way...

**V:** Yeah, one EDC moves down, then another one. They're new, this one has been there longer, and the first tells them 'oh, this is spot where you should live, this is safer.' And a lot of them do live in East End, because it's more expensive to live there, so they kind of...it segregates them from the rest of the island, and they just kind of stay on the EDC end. And my boss, I would say, doesn't know anything about the other side of the island, because he just stays around there because it's close to where he works and he doesn't really want to get out and interact, and I guess learn about the island and what it has to offer, he's just here for his job and...you know, that's what it is.

The unwillingness of many 'EDC people' to travel beyond the island's wealthy East End and their selective social engagement on the island made it necessary for me to intern at EDC companies in order to get a clear sense of the perspective of 'EDC people' and the "segregated" world they inhabited.

## **‘We’ vs. ‘Dem Deh’: Shifting Antagonisms**

As a ‘non-traditional intern,’<sup>6</sup> my exact duties at the EDA fluctuated from day to day—for instance, during my first week, the office was in the midst of compiling its Annual Report, a situation that allowed me immediate access to files I otherwise would not have had quite so quickly. After the initial flurry of activity associated with preparing the EDA’s Annual Report however, the pace of my office tasks slowed down. Adding to this slowdown was the fact that I had begun my internship in mid-November, during the lead-up to the winter holiday and Carnival season on St. Croix. On my drive to work one morning a few weeks into my new role as EDA worker, I attempted to construct a mental to-do list, some office tasks that would keep me busy through the likely slow workday. My carefully-constructed list disappeared, however, when I walked into the foyer of the EDA office and was greeted by the sounds of Christmas carols set to a calypso beat streaming through the office. Stopping at the receptionist’s desk, I asked what was going on. She told me “we going liven up this place,” and that the staff was decorating for the holidays by stringing garlands between doorways and hanging ornaments on a plastic Christmas tree. What struck me about this day was not only the holiday cheer, but the congeniality in the office.

On my first day at the EDA, I had realized that the experience of working there would be very different from the encounters that I had with the EDC community, as all of

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<sup>6</sup> The EDA has an internship program that encourages undergraduate students to work in the office for approximately 6 weeks, performing front office duties including answering telephones and faxing documents.

the employees were people of color, a noticeable difference from the overwhelmingly-white EDC offices I had visited. Even more striking, however, was that work at the EDA was often conducted in Crucian dialect, rather than the ‘business English’ that was a prerequisite in EDC offices. When, during the assembling of an informational packet, I was asked to “pass that paper, nuh man,” I realized that the EDA was a different environment than the EDCs it governed. Beneath the familiarity and seeming friendliness of these exchanges, however, I quickly noticed simmering tensions between workers who identified as Crucian and those who were labeled ‘down island.’<sup>7</sup> Tensions between Virgin Islanders and residents born on surrounding islands have long been noted (see, for example, Dookhan 1974; Harrigan and Varlack 1977). However, the office clashes I witnessed were inflamed by a heightened discourse on race and place on the island. With the coalescence of the EDC community, a group identified by island residents by both occupation and “racist” attitude, relations between black and white residents on the island had become increasingly strained. Anecdotally, this tension was evident in the frequent invocation of Fountain Valley,<sup>8</sup> a racially charged shooting at a St. Croix golf course in the 1970s (see Caruso 2003), by interviewees: In addition to Lakisha’s comment that “St. Croix don’t play,” I was taken aback when one particularly even-tempered friend, Charles, ended his account of being slighted by a white EDC businessman by saying “they best remember Fountain Valley.”

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<sup>7</sup> On St. Croix, there are a number of derogatory names for residents who have migrated from surrounding islands, including ‘down island,’ ‘garrot,’ and ‘gasso.’

<sup>8</sup> During the Fountain Valley Massacre of 1972 on St. Croix, eight people were killed at the Fountain Valley Golf Course. A 2005 article published in the Virgin Islands Daily News notes, “the notorious Fountain Valley Massacre was seen as racially motivated because the gunmen were black and seven of the eight victims who died were white” (Mannes, Tanya. “Island Magic” [Virgin Islands Daily News](#), 7 June 2005).

## **Racial Tensions and the EDC**

Although seemingly ever-present, antagonisms between whites and blacks had been escalating on St. Croix since the early 2000s, closely mapping onto the arrival of large numbers of financial managers and their families, the group of white Americans who became known as ‘EDC people.’ However, tensions between ‘EDC people,’ a group that ultimately became synonymous with ‘white,’ and local blacks concretized around the attack of a black woman by a white man on St. John in 2005.

## **A Black Majority: Violence and the EDC**

In 2005, the local media across all three of the US Virgin Islands covered the story of the alleged rape of a black woman that occurred on St. John. While reports of sexual assault are disturbingly regular, what elevated this case to the status of territory-wide news was its racial component. Amidst escalating tensions between white and black residents on St. John following the attack, the online newspaper, the St. Croix Source, published a story in 2005 describing the situation:

A fire early Friday morning that gutted the interior of Close Reach Imports is under investigation, Deputy Fire Chief Brian Chapman said at the scene. The store, located at Meada's Mall in the heart of Cruz Bay, is owned by Bob Sells.

"The downstairs is a total loss," Chapman said. This is the latest in a series of incidents that appear to be racially motivated. Early Thursday, someone set fire to Sells' Jeep, which was still parked in front of the store Thursday morning. That incident is also under investigation.

The problems at Close Reach Imports appear to have their roots in a feud between Sells and House of Dolls owner Esther Frett. Until she was evicted in June, she had her store at Meada's Mall upstairs from Close Reach Imports.

Sells is white and Frett is black.

On June 3, Sells was arrested on assault charges after he allegedly pushed her. Sells said Thursday that case is still pending.

On June 20, someone wrote racial epithets on a car and fence at the East End home of Esther Frett and her husband, Jerry. No one has been arrested in this case.

Then, on Tuesday, Frett was allegedly raped. While Police Commissioner Elton Lewis stopped short of saying Frett was a rape victim at a Wednesday meeting in Cruz Bay Park, he called her a crime victim (Lohr 2005).

While the charge of sexual assault is alarming, the aspect of this case that became the primary topic of discussion was the relationship between whites and blacks on St. John and throughout the US Virgin Islands. In response to this case, a coalition of Virgin Islanders led by an outspoken Crucian radio personality came together under the name We The People, staging a number of protests on St. John, including sit-ins at local restaurants (Lohr 2005) and forcing supermarket slowdowns by paying in coins. Asked why he and his fellow Crucians had become involved in this case, the leader of this contingent, Mario Moorhead, responded:

St. Croix “views itself as the big sister to the little sister St. John.” He said it was the job of the big sister to look after the little sister.

"We came here to take care of business," he said.

He said he was there to exterminate the "rascals and scumbags" who raped Frett.

He said that although St. John may be 51 percent white, the Virgin Islands is "made up of people of color."

"This is the reality many of you seem to forget," he said (*ibid*).

While these protests were in response to a “racially-motivated” feud between a white businessman and a black businesswoman on St. John as well as an attack on the woman, the ‘you’ addressed by Moorhead is the entire community of white residents in the US Virgin Islands. What is more striking is the fact that when this case was discussed on St. Croix, the ‘you’ who has forgotten that people of color constitute the majority in the USVI referred to ‘EDC people.’ Although the man involved in this case was not, in fact, part of the EDC program, the extravagant wealth and high-profile<sup>9</sup> of many EDC businessmen has resulted in a metonymic relationship between ‘EDC people’ and ‘white’ in the territory. This collapsing of ‘EDC’ and ‘white’ obscures the long presence and history of whites in the territory. Moorhead’s comment that “this is the reality many of you seem to forget,” echoes the frequent refrain heard on St. Croix that ‘EDC people’ are intent on “taking over” and that they would do well to remember both the Fireburn slave uprising that took place on St. Croix and the massacre at Fountain Valley. These instances of racial violence, and threats of racial violence, in the context of the EDC contradict assessments of global circulations as necessarily resulting in an increasingly-unified ‘global village.’

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<sup>9</sup> In addition to large land purchases, members of the EDC community have generally maintained greater levels of visibility on St. Croix than the island’s long-term white residents through such measures as establishing nonprofits, charity events, and in one instance, a private school. In 2006, one particularly well-known EDC businessman unsuccessfully ran for the political office of Delegate-to-Congress for the USVI.

## **‘EDC People’ as Whites**

The white businessman involved in the feud on St. John was not a beneficiary of the EDC program. Yet, his actions became a stand-in for the assumed attitude and behavior of the EDC community. This speaks to the direct relationship between ‘EDC people’ and the category of ‘white’ in the territory. This relationship is of note, as there have long been white, including very wealthy white, people in the US Virgin Islands.<sup>10</sup> This equation of ‘EDC people’ with ‘white’ points to the centrality of this community in the USVI while also eliding long-term white residents in the territory. The sizable community of white residents on St. Croix grew significantly after the particularly devastating Hurricane Hugo of 1989 that destroyed much of the island. In its aftermath, large numbers of white contractors from the US mainland arrived and ultimately settled on the island with their families. The current direct relationship between ‘EDC’ and ‘white,’ however, glosses over both the centuries-long presence of whites in the territory and this more recent history. Being struck by the way in which the EDC community became linked in the minds of Crucians with ‘white,’ as demonstrated by the railing against ‘EDC people’ that took place when the St. John case made its way into conversation, and curious about the displacement of pre-EDC white residents, the former-gatekeepers of the social and charitable arenas on St. Croix, I arranged to meet with a family who had moved to the island from the States in the late 1980s.

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<sup>10</sup> For instance, Caneel Bay, the St. John resort, and Carambola Beach Resort on St. Croix were both created by the Rockefeller family.



## White Before EDC: Long-Term White Residents

As I gave my name to the guard charged with protecting the gated community I was about to enter, he eyed both me and my car closely, seeming to assess all the dings, rust spots, and peeling paint on my ‘ragga.’<sup>11</sup> Ultimately deeming me safe to admit to the posh neighborhood, he lifted the arm of the wooden gate, allowing me to pass. I was there, in Caddy Lanes, to have dinner and talk with the parents of a longtime friend, a couple who had moved to St. Croix from the States 20 years earlier, shortly after Hugo, and had raised both of their children on the island. The Martins, a well-to-do white family, had agreed to talk with me about their experiences on the island before and after the inception of the EDC program. Sitting on their patio, I asked their impressions of ‘EDC people’ and what, if any, changes had come about with the arrival of this business community. In response, Ann Martin recounted her experiences with a nonprofit started by a group of EDC wives, a group of which she was no longer a member because she did not agree with the “outlook” of its members. Ann felt that the women in this group, the EDC wives, “wanted to feel good about giving, and when [she] pointed out deeper issues or other directions for their giving and community service, they didn’t want to hear it.” Rather than engaging her suggestions of more long-term philanthropy, Ann said, “they didn’t want to hear it—they just wanted to feel good about donating.” The impact of EDC wives on the philanthropic circuit on St. Croix is an issue I discuss in great detail in Chapter 6. However, what I want to draw attention to for the moment is the way in which

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<sup>11</sup> This is word used on St. Croix to describe a jalopy.

even Ann, a long-term white resident of St. Croix, a group which was formerly understood as the patron class on the island, was sidelined by this group of recently-arrived EDC wives. The vast amounts of capital to which they have access combined with their ‘flashiness’ has resulted in ‘EDC people’ in general and EDC wives in particular becoming central figures of social life and charitable giving on St. Croix, often displacing the interests of white residents who formerly held these positions on the island. This change in the patron class on St. Croix is demonstrative of the ways in which levels of status emerge and shift based on patterns of circulations of capital. In her work on globalization, Tsing (2005) theorizes the existence of ‘frontiers,’ a useful concept for my work, as these constructed zones in which competing notions meet are the very spaces in which new arrangements, such as the shift in dominance from long-term white to ‘EDC,’ take shape. Regarding frontiers, Tsing writes,

Frontiers are not just edges; they are particular kinds of edges where the expansive nature of extraction comes into its own. Built from historical models of European conquest, frontiers create wildness so that some—and not others—may reap its rewards. Frontiers are deregulated because they arise in the interstitial spaces made by collaborations among legitimate and illegitimate partners; armies and bandits; gangsters and corporations; builders and despoilers. They confuse the boundaries of law and theft, governance and violence, use and destruction. These confusions change the rules and thus enable extravagant new economies of profit—as well as of loss (Tsing 2005: 27).

I argue for an understanding of the EDC program as just such a ‘frontier’ zone—a space which brings together unexpected partners (global elites, poorer and middle-class Crucians, and long-term whites) and produces new subjects and levels of status vis-à-vis global circulations of capital. That the EDC program, understood as a ‘frontier’ is able to transform social arrangements and affect processes of subject production is shored up by Tsing, who writes that “it should be clear that by frontier I don’t mean a place or even a process but an imaginative project capable of molding both places and processes” (Tsing 2005: 32). As if to underscore this conceptualization of the EDC as a frontier zone, Tsing argues that in the productive space of the frontier, “the only promise that must be kept is of fabulous, unearned wealth” (Tsing 2005: 38).

When Ann and her husband, Bill, both called ‘EDC people’ “flashy” during our conversation, I asked them to explain more fully their impressions of this group:

**Ann:** There has been a big change in the kind of white people we get here now.

We’ve always had wealthy people move here, but in the ‘90s, they moved here to get into island life and be part of the community. Now, though, EDC people come here who want to flash their money with fancy cars, instead of driving beat-up Jeeps.

In addition to noting the differing approaches to displays of wealth between ‘EDC people’ and whites with a longer presence on the island, Ann observed that the former are

“here just because of the money they’re saving and don’t have an interest, for the most part, in being part of the community.” This assessment of ‘EDC people’ as unenthusiastic about being integrated into the local community is one that I heard frequently on the island. Of all the accusations hurled at the EDC community, including claims of racism, segregation, and hiring discrimination, this charge that EDC people *just don’t care* about the Virgin Islands or Virgin Islanders was the one leveled most matter-of-factly by residents, both white and black. Local business leader Henry Wheatley captured this sentiment in an earlier moment during a speech to the St. Thomas/St. John Chamber of Commerce:

We must face the fact that, in general, the recent white arrival from the US mainland has not been a good neighbor. Lacking roots in this community, he finds little in common with native Virgin Islanders and makes no serious effort to bridge the cultural gap that separates us. He is one of many migrants from many places and has little sense of responsibility to this community and not too much sense of common purpose even with other whites, except in search of congenial and social companionship (Harrigan and Varlack 1977:406)

The introduction of these global elites with no ties to St. Croix beyond the EDC program marks a shift from the group of former middle and upper class whites, many of whom relocated to the island specifically to become incorporated into the local community. These longer-term white residents, however, have become displaced by and

are unable to compete with the vast amounts of capital commanded by ‘EDC people.’ What is more, the resentment toward these recent arrivals for their lack of concern about the local community is related to this shift in the “kind of white people” drawn to the island, as ‘EDC people’ are seen as failing to fulfill their role as the patron class vis-à-vis local blacks. While EDC wives are active philanthropists on the island, these engagements are selective and generally limited. For instance, they often favor one-time donations to schools rather than longer term engagements with parents and teachers—the “deeper issues” to which Ann attempted to draw attention during her time as a member of the EDC wives’ philanthropic group. This type of giving is in contrast to the historically more extensive, if problematic, engagement of whites with members of the local Caribbean communities of color in which they live. This shift in class hegemony mirrors the more general turn in the global economy that discourages the developmentalist paradigm that was dominant in the mid-20<sup>th</sup> century which, though arguably beneficial, was rooted in a paternalist worldview. As Gordon Lewis has written of Statesiders who relocate to the USVI, “what grows up, then, is not so much a settler mentality as the well-known enclave syndrome. Whether consciously or only half-consciously, the continental thinks and acts as an ambassador of American life...He tends to adopt the local upper-class attitudes to the native masses, seeing them as children-people who are enjoyable but unreliable” (Lewis 1972: 25). However, the presumed failure of ‘EDC people’ to fulfill their role in this patron/client relationship has resulted in local resentment of this group, while their extreme wealth has displaced and alienated white former-gatekeepers on the island.

Writing on Jamaica, Deborah Thomas (2004) points to both the liberatory and limiting possibilities created by globalization. Thomas suggests that the decreasing centrality of the state as a result of globalization has created openings for ideological as well as financial agency, allowing some poorer Jamaicans greater access to opportunities which enable them to bypass the authority of middle-class gatekeepers. While Thomas' work demonstrates the ways in which Jamaica's incorporation into global processes has allowed for the possibility of new mobilities as well as new limitations, the dwindling power of former middle-class gatekeepers on St. Croix has resulted in greater mobility for the middle-class Crucians favored by EDC hiring preferences, but also in greater dispossession of large numbers of Virgin Islanders unable to compete with the globalized capital of 'EDC people.'

The circumvention of former-gatekeepers on St. Croix has led to increased limitations in the form of exponentially higher property taxes and real estate costs, rather than new mobilities for poorer Crucians. While 'EDC girls' and their male counterparts represent a new subject-position on the island, upwardly-mobile employees with significant access to commodities and capital, these workers are largely drawn from existing middle- and upper-class backgrounds. On St. Croix, the supersession of long-term white residents as power brokers has led to the consolidation of an even wealthier community of whites largely unconcerned with St. Croix beyond an economic program.

## **EDC People As ‘Racist’**

The charge of racism against ‘EDC people’ is complex, with Virgin Islanders pointing to experiences of hiring discrimination, the “segregated” clusters of EDC homes on the island’s East End, and the unwillingness of ‘EDC people’ to engage with either the island or its people beyond the program as evidence. As with Veronica’s comments that her employer “doesn’t know anything about the other side of the island, because he just stays around [East End] and doesn’t really want to get out and interact, [since]...he’s just here for his job,” many Virgin Islanders I spoke with were angry about this residential divide, a raced and classed split that allowed incredibly wealthy white ‘EDC people’ to live almost entirely apart from the local population. Writing in the 1970s Gordon Lewis describes this divide between Crucians and Americans who relocate to the island from the US mainland:

As his own, growing group [of Americans] becomes more elaborately structured and the rules of social conduct become more clearly defined, the compulsion to engage in a meaningful dialogue with St. Thomians or Crucians becomes less imperative. The end result of this process is the increasingly sharp segregationism that characterizes the native-continental relationship in the present period (Lewis 1972: 251).

While this division between the local community and Statesiders ('continentals') is longstanding, resentment remains raw. For instance, outrage over "segregation," and the feeling of exclusion it engendered in Virgin Islanders boiled over during a lunchtime conversation I had with Allison, a mid-level manager in a government office on St. Croix. As we both talked about work, the politics in our respective offices, and our plans for the upcoming weekend, I mentioned that I was planning to go to Shoy's, a local beach that is located within, and shares its name with, one of the fashionable neighborhoods preferred by 'EDC people.' At the mention of this, Allison became agitated, saying "you'd better go while you can." When I asked what she meant, Allison explained that she'd recently learned that a group of 'EDC people' were planning to erect a gate, marking off the East End from the rest of the island. In disbelief, I told her that this could not possibly be true, as Virgin Islands law requires that all beaches, and access to them, remain public. Besides, I reasoned, the only road running through the East End was public and maintained by the local government. It would be impossible to cordon off this section of the island.

Not long after my conversation with Allison, and still weighing the possibility of a gate marking off an entire section of the island, I ran into Karen, the woman whose debate in the post office about real estate costs had drawn my attention. Realizing that if anyone would know about such plans on the part of 'EDC people,' it would be her, I asked Karen if she had heard anything about a gate being put up out East. Her eyes immediately lit up, and she shouted, "Yes! I know all about it." Surprised, I asked how



such a separation could be created and enforced. While she had the same information as Allison, and not much more in the way of details, Karen was certain the EDC community was planning to erect this gate. Although a boundary separating East End from the rest of the island was not erected, the widespread rumor of its impending arrival, much like the swirling rumors concerning the EDC “cult” at which I worked, speak to the anxiety on the part of Virgin Islanders about the EDC program and its participants.

What is more, although this physical barrier was not created, many residents I spoke with argued that a separation was accomplished even without it: for instance, Nancy, a professor at the local university, remarked to me that her young son enjoyed the weekly crab races at a local beachside restaurant—however, the fact that the restaurant was ‘out East’ meant that they were often the only people of color in attendance, a situation that made her feel “as though [she] and [her] son did not belong there. What struck me most about the changes on East End in general and this restaurant feeling particularly ‘marked off’ as EDC territory, were the vivid childhood memories I have of playing at that very beach before the restaurant was built. This beach, where I spent countless Saturdays making sandcastles and ‘selling’ seashells to passersby, now felt, to many Crucians, as though it were only for ‘EDC people.’ This shift in ostensibly public space—that is, the sense that many Crucians now have that certain places are ‘off-limits’ to them—is closely related to another local concern vis-à-vis ‘EDC people’—that of land use and real estate accumulation.

## **‘EDC People’ and Land: Increasing Property Taxes and Real Estate Costs**

Many ‘EDC people’ have amassed large tracts of land across the island for personal and recreational use, purchases that have incensed some Virgin Islanders while earning others tidy profits. The rising cost of real estate, a development due in large part to EDC interest and capital, has priced out many local residents across the USVI, and threatened to displace even those who are existing homeowners with property tax bills that are drastically higher than in years past. Describing the impact of these property tax increases, a 2008 article in the *St. Croix Source* notes that “in some cases St. John property owners face tax bills six to 10 times higher than their previous bill” (Lohr 2008). These drastic increases in property taxes are not limited to St. John. Throughout the territory, “the value of properties have been revalued and in most cases, dramatically increased” (Lewin 2008).

The issue of real estate and ‘EDC people’ has become increasingly contentious on St. Croix. The recent purchase of one particularly well-loved local oceanfront landmark formerly known as “Grassy Point” has particularly angered those who argue that EDC wealth displaces Crucians seeking to purchase land, distorts the local real estate market, and disturbs public land use on the island. In a 2009 newspaper editorial, one local academic suggested that many on the island were especially upset about the purchase of Grassy Point because it seeks to make private a site long understood as belonging to the community:

Why are so many callers [to my office] upset? The site is one of the few ocean areas on St. Croix where people, especially locals, communicate with nature. This oneness with nature started during colonial times when enslaved Africans rested from their labor on the surrounding cotton and sugar estates of Grassy Point.

The shorelines of the Virgin Islands have been a place of physical therapy, recreation, meditation and rest to Virgin Islanders past and present. Our shores have been used freely for "donkey years" by all residents and visitors alike. To our fishermen, the sea and its shores are a way of life.

According to a Coastal Zone Management staff member I spoke to recently, the owner has a permit to build one cottage on the peninsula. What got so many people furious is that the entrance to Grassy Point is blocked off. In the Virgin Islands beaches are public property. With the influx of newcomers to our shores over the years, access to shorelines, especially beaches, has become political and controversial (Davis 2009).

Anger over large land purchases by 'EDC people' and the privatization of space (both in the sense expressed by Nancy that she and her son 'didn't belong' at the crab races and that expressed in the editorial that a formerly public landmark had been purchased for personal use) has contributed to tensions between Crucians and whites

(understood to be ‘EDC people’). In addition to the specter of violence inherent in comments such as “remember Fountain Valley” and reminders to whites that they constitute the minority in the USVI, incidents of actual violence in the form of increased crime have marked this deterioration in black/white relations on St. Croix.

### **‘EDC People’ and Crime**

In talking with EDC businessmen during my internship interviews, the topic of crime, and its abundance on St. Croix, would inevitably arise. “Was it always this bad?” many interviewers asked me when they learned I was raised on the island. A large part of the reason that many ‘EDC people’ have experienced unusually high incidents of crime on the island has to do with the fact that the enclaves in which they tend to live have been specifically targeted by burglars. While there are no crime statistics available by neighborhood, an online news service covering the Virgin Islands reported in 2005 that “crime in the territory [was] on the rise, going against the downward trend of violence in the rest of the United States. According to recent statistics from the Federal Bureau of Investigation, violent crime in the territory rose 13 percent in the first half of 2004. In the rest of the country, violent crime fell 2 percent” (Virgin Islands On-Line Coconut Telegraph 2005). In light of the fact that the EDC was established in 2001, and the Jobs Act occurred in 2004, this increase in crime matching the consolidation of the EDC community is of note. Further, my own experience renting an apartment ‘out East’ that was burglarized, anecdotal evidence from talking with EDC people, the 2008 inception

of a CrimeStoppers tip line in the territory, and posts on the listserv ‘STX Crime Watch’ all point to the conclusion that whites have increasingly been the targets of crime, particularly robbery, on the island. In one scheme seemingly targeted at ‘EDC people,’ a group required to be on island only 183 days per year, thieves would break into unoccupied homes and steal everything inside, including large appliances such as flat screen televisions and expensive refrigerators.

In order to explore these issues, I arranged an interview with a woman closely involved with local crime fighting efforts. I had met Victoria five years before this interview, when the East End home in which I was renting an apartment was burglarized during a rash of break-ins in the neighborhood. When we met, Victoria and her husband had been in the process of organizing a neighborhood watch of East End residents to fight crime in the area. Since then, she had developed a relationship with the local police force and helped to increase local efforts to fight crime. On my way to our interview, to be held in an area of the island that signals the beginning of the East End, and thus frequented by ‘EDC people,’ I recalled our first meeting and looked forward to hearing about the developments in local crime fighting. When I arrived at the agreed-upon café, Victoria, dressed in madras pedal pushers and a pastel polo shirt, was on her cell phone, talking with a local police representative about an upcoming meeting. When she hung up, I reminded her of our initial meeting, and asked why she had remained active in battling local crime. In response, she told me of entire houses being “cleaned out.” Noting that

burglars frequently targeted the homes of ‘snowbirds’<sup>12</sup> and ‘EDC people’ for these crimes, she argued that something had to be done. Drawing a connection between ‘EDC people’ and the increase in crime, Victoria noted that “it was when [EDC people] started coming that safety and crime became a real issue out East because they have money to the degree the island hasn’t seen before.” Again, while there are currently no crime statistics by neighborhood, the 13% increase in crime in the USVI in 2004, the year of the Jobs Act legislation that escalated local resentment of the EDC program, lends support to a link between ‘EDC people’ and increased crime.

Local resentment over the vast amounts of wealth possessed by ‘EDC people,’ their selective engagement with the local community, and exclusionary hiring and residential practices have combined to result in escalating tensions between the local community of blacks and long-term whites against ‘EDC people.’ However, beyond the tensions between white and black, or even white and ‘EDC,’ on St. Croix, the presence of these global elites and their assumed indifference toward the island has resulted in a greater emphasis on race and (birth)place on the island, as demonstrated by the increasingly racialized hostility present in a territory-wide debate over defining ‘native’ Virgin Islanders.

Shortly after the racially-motivated attack and the ensuing protests on St. John, the US Virgin Islands began proceedings for its 5<sup>th</sup> Constitutional Convention, a political

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<sup>12</sup> Part-time residents who generally spend the winter season on the island.

attempt to amend the US document governing the territory. The Convention, however, was derailed largely by racial antagonisms, including frequent charges of racism from both whites and blacks, culminating in a debate over the rights of ‘native’ Virgin Islanders—an issue that resulted in renewed hostility between Crucians born on the island and residents from surrounding islands who felt excluded during this debate. Flashes of the tension from the ‘native’ debate informed conflicts I witnessed during my government internship: comments such as “me don’t ask that gasso gyul nothing”—“I don’t ask that girl from another island anything”—spoken by St. Croix-born employees, and factionalizing along lines of birthplace were indicators of the increasing race- and place-based resentments on the island. In the EDA office, these tensions were salient at particular moments: during office disputes over matters such as workload, divisions between self-identified Crucians and ‘down-islanders’ were central. When discussing ‘EDC people’ and their applications, however, employees spoke of themselves as a single group in relation to “dem deh.”

While earlier theorizations of globalization suggested a decreasing emphasis on specificity, such as identity determined by nation or race, scholars have more recently pointed to the emergence of exactly the opposite: that is, an upswing in xenophobia in the current moment of increasingly-global circulations. Most notably, Amy Chua (2003) has argued that “the relationship between free market democracy and ethnic violence around the world is inextricably bound up with globalization” (Chua 2003: 4). As I have shown here, the EDC, a program characterized by circulations of global capital through the

USVI, has in fact demonstrated this point – it has resulted in an increase of the racial awareness and violence described by Chua. Moreover, the mounting tensions between self-identified Crucians and ‘down islanders’ over issues of belonging are reflective of the increasing invocation of indigeneity under globalization (see Geschiere and Nyanmjoh 2000; Starn 2007; Geschiere 2009). Geschiere and Nyanmjoh (2000) have written that with increasingly globalized processes, “autochthony has become a powerful slogan to exclude the Other”—they note that this is particularly the case in “the Caribbean and other ‘plural societies’ that can be considered products par excellence of globalization” (Geschiere and Nyanmjoh 2000: 424). Arguing that this insistence on indigeneity—that is, the groundedness of belonging to a place in some inherent way—is particularly appealing given the openness of global flows they write, “autochthony seems to go together very well with globalization. It creates a feeling of belonging, yet goes beyond ethnicity’s specificity” (Geschiere and Nyanmjoh 2000: 424). The following section will trace the resurgence of just such a discourse concerning indigeneity on St. Croix—the debate over identifying ‘native Virgin Islanders.’

### **Blacks, Whites, and Natives**

Increased racialized tensions and polarization in the years since the arrival of the EDC community on St. Croix have led to an intensification of long-present hostility between Crucians and residents who have immigrated from neighboring islands. While there is intense inter-migration between the USVI and surrounding islands, due in part to



the status of these islands as an American territory making them an easily-accessed point of entry to the US for many in the Caribbean, there have long been strained relations between USVI-born residents and these settlers. This tension was demonstrated by my fellow office worker's comment that she "don't ask that gasso gyul nothing," and noted by Dookhan (1974) who argues:

Some social "unrest can be attributed to the widespread feeling among Virgin Islanders that they have lost control of their economy....The ownership and control of the major industries and big businesses by non-Virgin Islanders with greater competitive power has led the natives to question their role in the future economic development of the islands" (Dookhan 1974: 307).

This quote by Dookhan points to the tensions between 'non-Virgin Islanders' and 'Virgin Islanders.' In the present moment, this division is mostly aptly cast as one between Virgin Islanders and 'EDC people' and echoes the tensions noted by Geschiere and others writing on the relationship between indigeneity and globalization. Yet this passage also introduces the fraught category of 'native,' a category which has long been the source of heated debate in the territory.

In 2008, the USVI was in the midst of a Constitutional Convention, the fifth attempt of its kind to create and ratify a document that would amend the Organic Act, the legislation governing the territory. While a number of sub-committees were formed and

many meetings held, the issue that captivated the island most was that of defining ‘native’ Virgin Islanders. While the fear of immigrants from neighboring islands displacing locals has long been a low-level concern and topic of discussion on St. Croix, anxiety surrounding this possibility increased dramatically in the 2000s, with the arrival of ‘EDC people,’ a group with spending power that far outmatched that of most Crucians. In large part as a result of concerns about the continued possibility of local ownership in the face of EDC interest and capital, the debate over ‘native’ Virgin Islanders and their rights—including limiting ‘foreign’ (such as mainland US) land ownership—intensified.

The current status of the USVI as a territory of the US has meant that it is legally impossible to differentiate between long-term residents of the territory and mainland Americans, a difference of ‘belonging’ that is frequently made law on surrounding islands, such as the BVI, vis-à-vis land ownership. Escalating concerns over the availability and cost of land on St. Croix and fears of being displaced by either ‘down islanders’ or ‘EDC people’ seeking to “take over” combined to make the debate over the term ‘native Virgin Islander’ the central issue in the Fifth Constitutional Convention.

Beginning in 2008, the Fifth Constitutional Convention of the USVI began with the election of representatives to the various committees of the Convention. There was much excitement on the island surrounding this process, although this optimism was tempered by the fact that the four previous Conventions had failed to result in an agreed-upon document that could be submitted to the US federal government. Not long into the

proceedings, it became clear that the central issue of these meetings would be defining ‘native’ Virgin Islanders, a vexing process that had divided the island before, most recently in the early 2000s, when the local government attempted to ensure Crucian employment within a casino that was attempting to break ground on St. Croix. While many definitions were put forward, the suggestion that was discussed most frequently held that ‘native’ Virgin Islanders were those who were able to trace their lineage in the territory to the year 1927.<sup>13</sup> While some on the island argued that this definition would allow for legal benefits, including preference vis-à-vis land purchases and employment, to be awarded to ‘natives’ of the territory, others decried the very attempt to create this category as “racist.” The racial overtones of this debate became clear during one Convention meeting during which the most outspoken proponent of ‘native’ rights, former-Senator Aldelbert Bryan, was asked what would become of white residents with long family histories in the territory:

[Convention] Delegate Frank Jackson brought up the Lawaetzes and the Merwins, families that moved to St. Croix around the end of the 19<sup>th</sup> century from Denmark and New York, respectively, asking why they shouldn’t be considered ‘ancestral Virgin Islanders.’

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<sup>13</sup> This date was selected as it provided then-residents 10 years to select between American and Danish citizenship following the 1917 sale of the islands to the US. During the Convention, there were a number of competing definitions of ‘native’ Virgin Islander. As noted in one 2008 newspaper article:

“In the draft [Convention] language, an ancestral native Virgin Islander is a person born or living in the territory before 1927, the date U.S. citizenship was first conferred on people living in the territory, as well as any direct descendants of someone who meets that criteria. An native Virgin Islander is defined as anyone born in the territory after 1927, plus anyone who is ‘a descendant of at least one parent who was born in the Virgin Islands after 1927. A simple ‘Virgin Islander’ is someone who has resided in the Virgin Islands for at least five years” (Kossler, Bill. “Structure of Legislature, ‘Native’ Questions Dominate Constitutional Session” [St. Croix Source](#), 14 October 2008).

Delegate Adelbert Bryan...walk[ed] to the back of the Fritz Lawaetz Legislative Conference Room and pull[ed] the plaque commemorating Lawaetz from the wall. 'Fritz didn't do anything for black people,' Bryan said. 'We keep changing it because of the media...Nobody can convince me Mr. Lawaetz was a native Virgin Islander (*ibid*).

While this substitution of 'black' for 'native' found support among some on St. Croix, a large number of residents, including immigrants from surrounding islands and whites, felt excluded in this debate. Writing in support of defining 'native' Virgin Islanders, one St. Croix resident submitted an opinion piece to a local newspaper that addressed many of concerns Crucians have about 'EDC people.' I include much of this letter here, due to its particular salience:

Here in the VI, there are persons who require programs to pursue and attain the Virgin Islands dream of life, liberty and the pursuit of happiness here. This dream includes owning land for homes and businesses, so that there will always be natives around to preserve and promote our rich culture and traditions. If all native disappear from the VI, so will our culture, which even those who are against native rights claim to love so much.

However, the persons who are against programs designed to guarantee the above rights for persons born in the Virgin Islands, argue that everyone should be treated equally based on the 14<sup>th</sup> Amendment to the U.S. Constitution. This sounds nice in theory and I would agree with it if, in reality, things were equal economically for all persons who live here. However, all things are not equal and many natives cannot afford to buy land or start businesses in their homeland.

Contrastingly, persons from the outside who have access to large sums of money, capital, and who usually get credit easier than natives, are able to come here, purchase large chunks of land, subdivide it and resell it to others who are economically ‘well-off’ at prices that are way beyond the reach of many natives. In other instances, they build extravagant homes that drive up the property values around them. Although both of these actions are perfectly legal in this society, they exclude many natives from ever being able to purchase land, whether for homes or businesses in their own homeland. They do not seem to be concerned about the economic inequality existing between natives and the outsiders mentioned above that facilitates the native land alienation process, which is escalating even as this article is being written” (Emanuel 2007).

It is clear that the ‘outsiders’ to whom the author refers, those wielding vast amounts of “money, capital” and to whom credit is assumed to be easily given, are, in fact, ‘EDC people.’ The concerns voiced earlier by Karen, who feared ‘that Stanford man’—and

‘EDC people’ in general—were going to monopolize the real estate market on St. Croix, the anxiety contained in the editorial focusing on the purchase of Grassy Point, and the unease about rising property taxes are all deployed here in the service of ensuring ‘native’ rights by differentiating ‘outsiders’ from ‘natives.’ This division became a slippery slope, however, as the binary between ‘them’ and ‘us’ in the ‘native’ debate ultimately deepened and reinvigorated divisions between both whites and blacks, as well as St. Croix-born Crucians and immigrants from neighboring islands. As noted by Geschiere and Nyanmjoh (2000), the plasticity of autochthony (as compared to ethnicity) makes it a particularly useful tool in constructing shifting antagonisms: “Autochthony discourses tend to be so supple that they can even accommodate a switch from one Other to another” (Geschiere and Nyanmjoh 2000: 448). This very malleability allows for concerns over the presence of ‘EDC people’ to be folded into tensions between self-identified ‘native’ Crucians and Caribbean immigrants.

While many community members voiced support for the creation of the category of ‘native’ Virgin Islander, this reaction was far from unanimous. Rather, as the Convention—and the ‘native’ debate—progressed, a number of articles began appearing in local news sources, taking issue with both the notion of defining ‘native’ Virgin Islanders and the views of Delegate Adelbert Bryan. In a letter to the editor entitled “Appalled But Not Surprised!” one local resident wrote that she was “appalled but unfortunately, not surprised, at Adelbert Bryan’s racist display. If Mr. Bryan cannot or will not accept the fact that he is to represent all segments of our varied community then

[he] is not performing up to the standards of his...responsibilities. This is no place to continue to portray his well known attitudes of divisiveness and racism” (Mawson 2008). Another community member writing in the local media also objected to what he argued was the “racism” inherent in the project of singling out ‘natives’ of the territory:

Dear Source,

My Webster’s New World Dictionary defines the word bully in several ways...This would be a very good description of Bert Bryan and his recent racist tirade in a hearing of the Constitutional Convention.

Bert reminds me of those old southern American white guy like Strom Thurmond and Bull Connor and George Wallace. Society back then was changing and those self-appointed keepers of the flame didn’t like it. They all wanted to hold on to a past that was coming to an end called segregation. Bert doesn’t want his conception of the past to end here on our islands. Bert would like for everyone but those of African slave descent to leave our islands. No Puerto Ricans, no Down Islanders, no East Indians, no Arabs, no Caucasians, no nobody (Monagle 2008).

The notion that Delegate Bryan, and by extension those in support of the category of ‘native’ Virgin Islander, would like nothing better than to have “no nobody” in the territory except for “those of African slave descent” is one that became widespread as the debate became a central topic of conversation on the island. This focus on ‘native Virgin

Islanders,' those presumed to be innately connected to the island through either their ancestors' servitude or long-term presence, is hardly unique to St. Croix. Rather, it is indicative of increasing invocations of indigeneity/autochthony in the wake of globalization.

During the earlier instance of the 'native' debate, a moment that was filled with anxiety regarding local employment in the casino industry on St. Croix, this issue of 'native' Virgin Islanders captured the attention of many people in the VI and crossed racial, class, and generational divides. Much of the backlash against the category of 'native' came from Virgin Islands-born residents, many of whose parents had long ago immigrated to the territory from surrounding islands, who felt their identity being called into question and argued that they were being unfairly excluded from their home. While USVI has a continuing history of intense inter-island travel and residence, the definition of 'native' put forth during the 2008 Constitutional Convention disavows these practices and excludes these residents as well as recently-arrived 'EDC people.' While the 'outsiders' against whom Crucians most vividly imagined themselves were extravagantly wealthy 'EDC people,' this debate privileged the specificity of place to such a degree that many longtime residents were excluded as 'Other.' My exposure to intra-office politics of belonging at the EDA ("me don't ask that gasso gyul nothing") was but an example of the larger processes of Otherization that enveloped the island. Noting the long history of these divisions, Robert Aldrich and John Connell (1998) write:



Few territories have been so characterized by immigration as the USVI. In the 1960s, the ‘Development Decade,’ the USVI gained from its strategic position as a regional growth pole based on its capacity to draw upon relatively unlimited supplies of United States capital and expertise, and on its ability to attract a highly elastic supply of West Indian labor and the population doubled. Extensive immigration posed problems for infrastructure and service provision, and raised long-standing questions about identity and the role of aliens or ‘down-islanders.’ Between 1960 and 1976 the population density tripled, urban conditions worsened, and tensions between Virgin Islanders and other mounted (Aldrich and Connell 1998: 106).<sup>14</sup>

The 5<sup>th</sup> Constitutional Convention in 2008 was another such moment of mounting tensions between St. Croix-born residents and those with ties to neighboring islands.

The overwhelming community response to former Senator Bryan’s appearance on a local television call-in show in December 2004, as well as his participation in the 2008 Constitutional Convention, captured the intense level of feeling that surrounded the issue of ‘native’ Virgin Islanders in the territory. As Jacqueline Nassy-Brown (2005) argues in her work on diaspora through the lens of Britain, “local belonging is reckoned through rhetorics of continual, generations-long presence in a place” (Nassy-Brown 2005: 110). During the 2004 television show, Bryan reinforced the primacy of place in response to a

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<sup>14</sup> See also Dookhan 1974

self-identified older Kittitian man who was outraged at what he understood as the divisive nature of Bryan's project:

**Bert Bryan (BB):** I have no fight with you or anybody born in St. Kitts, Antigua, Guam or anywhere. I'm simply saying to you just like how you were saying that you are proud to be born in St. Kitts and you're Kittitian, I am saying likewise I am proud to be a native Virgin Islander born in Frederiksted, St. Croix to parents that were born in St. Croix in 1898 and 1911, and I'm saying to you sir, if your children are here, born here in St. Thomas, you know and don't want to admit it, as a naturalized U.S. citizen you can enjoy U.S. citizenship, your child that was born in St. Thomas or St. Croix or St. John can enjoy U.S. citizenship and at the same time they can go to St. Kitts and use you as their father and get a Kittitian passport. I cannot get another passport unless I denounce my U.S. citizenship. There's no fight, there's no war. It's people who want to politically separate and influence people would say it's a war. I am not taking anything from anybody.

Despite Bryan's claim that he is "not taking anything from anybody," it is clear from the response in the Virgin Islands that many residents feel he is, in fact, attempting to take away an important aspect of their identity. This sentiment is expressed by the host of this program who, noting his birth in Puerto Rico, stated: "I was born in Puerto Rico and came to the Virgin Islands when I was three days old. I know nothing about Puerto Rico other than that. *All I know is the Virgin Islands.*" Further, Bryan's focus on the

ability to hold multiple passports is reminiscent of Aihwa Ong's Flexible Citizenship in which she writes, "the multiple-passport holder is an apt contemporary figure; he or she embodies the split between state-imposed identity and personal identity...In this world of high modernity, as one scholar notes...international frontiers become increasingly insignificant as such" (Ong 1999: 2). However, it is exactly these 'international frontiers' that Bryan seeks to maintain by defending the 1927 definition of 'native.' Further, while Ong maintains that "passports have become less and less attestations of citizenship, let alone of loyalty to a protective nation-state, than of claims to participate in labor markets" (*ibid*), the exchange between Bryan and this first caller challenges the privileging of economics this reading grants. Bryan's objection to the ability of this man to identify simultaneously as a Kittitian and an American (albeit naturalized) is rooted in a desire for an essentialized identity, a unique connection to the island, rather than economic competitiveness. If there is any doubt to this claim, they are put to rest in another of Bryan's exchanges with this program's host: "In all fairness, everybody have the opportunity to live together, work together and own properties together. There's no definition that would upset that." While this is Bryan's claim in 2004, notably the year of the Jobs Act legislation that resulted in increased scrutiny on the EDC community, by the 2008 Constitutional Convention Bryan and his supporters point to a split between blacks and wealthy whites intent on "purchas[ing] large chunks of land, subdivid[ing] it and resell[ing] it to others who are economically 'well-off' at prices that are way beyond the reach of many natives." During the 2008 Convention, the formidable presence of 'EDC people' on St. Croix and anxieties about this scenario made a harmonious situation in

which “everybody hav[ing] the opportunity to live together, work together and own properties together” increasingly unlikely.

During his final exchange on the 2004 television program, former-Senator Bryan and a female caller note the tension between St. Croix-born residents and those who have immigrated from surrounding Caribbean islands:

**Caller:** I don't see what the big uproar is. There's one thing missing from a lot of the residents here and that's something called nationalism

**BB:** National pride...

**Caller:** Exactly, and because a few native Virgin Islanders want to exhibit national pride, it's a problem. When we have these associations: St. Kitts Association, Antigua & Barbuda, Trinidad & Tobago Association, it's fine. They can put up their flags, they can do whatever. The people from the Dominican Republic can put up a big poster of their governor in town, it's fine. Do not say 'Oh, we want to have the Crucian Coalition,' it's a crime. Do not say 'native Virgin Islander,' it's a crime. They exhibit nationalism for their country. They are quick to say, 'I am going home.' Where is home? You live here, you work here, you contribute your taxes here, everything. Where is home? Home for them is the place where they were born. They don't ever say, when they're in the States, 'I'm

going home to St. Croix.’ They don’t mean home, they mean St. Kitts or St. Lucia or wherever it is they were born. Why is it a crime for us to have some nationalism?

**BB:** Because there’s no real identity of who we are and that’s the problem...

While Bryan maintains that the ‘problem’ is that there is no Virgin Islands identity, I argue that for many Virgin Islands residents, the ‘problem’ is the definition of ‘native’ that seeks to exclude them and their children from this sense of belonging. Both the caller and Bryan attempt to use national pride as a means through which to posit the true identity of non-natives elsewhere. By arguing that ‘home’ for long-time Virgin Islands residents is, in fact, “St. Kitts or St. Lucia or wherever,” this caller is firmly establishing that the Virgin Islands is not their home and they are to be excluded from an essentialized category of ‘native’ Virgin Islander. What is more, this caller begrudges these non-natives the ability to celebrate multiple belongings—as does Bryan in regard to multiple passport-holders. In addition to concerns about an essentialized Virgin Islands identity, the anxieties in this debate are also related to concerns about American citizenship, a possession that is prized, yet one about which many in the Caribbean remain ambivalent. Further, both object to the varying levels of mobility among Virgin Islanders—as this caller presents a hypothetical situation in which Kittians and St. Lucians travel between the States, their ‘home’ country, and the Virgin Islands. In much

the same way, ‘EDC people’—and as I will discuss in the following chapter, ‘EDC girls’—are begrudged their mobility by many Virgin Islanders.

The EDC program, an attempt to incorporate St. Croix into the global financial market, has resulted in the island becoming a node in these circulations, while the attendant arrival of a community of wealthy white Americans has had the unforeseen effect of creating an increasingly dystopian set of social relations on St. Croix. Far from moving toward racelessness in the global era, life on St. Croix since the inception of the EDC program became increasingly racialized and racially polarized. That is, the ‘friction’ (Tsing 2005) between ‘EDC people,’ ‘down islanders’ whites, and self-identified Crucians has arisen as a result of competing expectations of globalization and claims of belonging. Rather than only increasing long-standing tensions between whites and blacks on St. Croix, the consolidation of a community of ‘EDC people’ has resulted in shifting antagonisms between long-term white residents, St. Croix-born Crucians, and residents with roots on neighboring islands. Moreover, concerns about hiring preferences for lighter-skinned employees among EDC companies have led to a heightened awareness of color on the island. A racially-motivated feud on St. John and the 2008 Constitutional Convention with the ensuing debate over defining ‘native’ Virgin Islanders made clear the degree to which these antagonisms had escalated. Many of these tensions trace their roots to the colonial period and its tripartite hierarchy of white, colored, and black, leading many Virgin Islanders to understand the current moment as a return to ‘slave days.’ Yet, contemporary racial relations on St. Croix differ in important ways from this earlier

period: the subsumption of long-term whites into the category of global elites known as ‘EDC people’ (a development to which many members of the former community, like the Martins, object) is made possible by the incorporation of St. Croix—a formerly-omitted space—into global financial circulations. What is more, the renewed emphasis on determining and legislating indigeneity—or ‘native’ status—is an attempt at “boundary-making and closure, expressed in terms of belonging and exclusion [against] globalization’s open horizons” (Geschiere and Nyamnjoh 2000: 425). That the EDC program exists at the nexus of this old racial hierarchy and its new articulations results in its ambivalent reception on St. Croix. While Crucians are wary of the intentions of incredibly-wealthy ‘EDC people,’ they are nevertheless aware of—and enticed by—the opportunities and status their presence makes possible. The shifting dynamics and alliances that have evolved from this complex set of relations have created a situation which necessitates a more nuanced theorization of the EDC program than a return to ‘slave days.’ It is important to take seriously the charges of racism levied against ‘EDC people’ by Virgin Islanders, while balancing these claims against Commissioner Bryan’s warning that EDC businessmen cannot be expected to be ‘super corporate citizens.’ What these antagonisms demonstrate is the importance of recognizing what Clarke and Thomas (2006) have called “contemporary racialized circulations.” That is, increasing racial tensions and awareness of race and color on St. Croix since the advent of the EDC program make it centrally important that my analysis take these claims seriously and pay attention to who benefits most from the presence of the program on the island. The next chapter will do just that by describing and theorizing the position occupied by the most

common Crucian employees of EDC companies, 'EDC girls' and their wealthier counterparts, 'EDC wives.' In this chapter, I will describe the stereotypical image of these women, including important race, color, class, and behavioral markers. These tightly-scripted positions reveal much about race as well as gender vis-à-vis the EDC program. Further, analyzing these subject-positions will allow me to address the issue of privilege as well as continuing anxieties about belonging on St. Croix.



## **6. Easy Money: EDC Girls & EDC Wives**

After my conversation with the Martins, a well-to-do white family living on St. Croix since the late 1980s, an interview during which I learned of Ann Martin's complicated experiences with a philanthropic group started by a group of 'EDC wives' (discussed in Chapter 5), I decided to learn more about this group. While talking with my friend Laura, a Crucian woman who serves on the board of a large nonprofit organization on the island, I asked what she knew of this group. In response, she told me that she had not only heard of this organization, the Virgin Islands Ladies League, but that she, like Ann Martin, had been frustrated by her interactions with this group. Laura told me that a number of the women that would go on to found the VI Ladies League were introduced to local philanthropy through their service as board members at Stronger St. Croix, the nonprofit with which Laura works, and a group that has been operating on St. Croix for the past two decades. After several power struggles between longtime board members and this more recently-arrived contingent of wealthy women, most of whom are married to EDC businessmen, these 'EDC wives' left Stronger St. Croix to establish the VI Ladies League, a decision that Laura saw as these women making St. Croix their "pet project." When I asked Laura how I might get more information on this organization, she told me that the members of this group were easy to find, as they spent most afternoons chatting and sipping wine at an East End beachside restaurant best known for the weekly crab races that took place on its patio. Running into Janet Chesterfield, one of the founding members of the VI Ladies League, at this restaurant one afternoon, I asked if

we might sit down for a formal interview. She suggested we meet at her home the following day.

Scanning the candy-colored mansions that populate Sugarville, the neighborhood where Janet Chesterfield and her husband lived, I searched for the unmarked road she had said would lead to their driveway. Concerned about being on time, I raced past the grand homes of the area and started up the road Janet had described. Near the end of the winding road, the unmistakable sound of crashing waves told me that this dead-end street wound its way to an oceanside bluff. As the metal gate surrounding the Chesterfields' house parted, and their pink-and-white mansion came into view, I heard Janet's voice over the barking of her Yorkshire terriers. Making my way down their driveway, I was stunned by the floor-to-ceiling windows on their home and their unobstructed view of the ocean from almost any angle. Welcoming me inside, Janet and I sat at her antique mahogany table and began talking about St. Croix, the EDC program (of which her husband's financial management company was a beneficiary), and philanthropy on the island.

After talking with Ann Martin, I realized it would be important to meet with someone from the VI Ladies League, as I recalled her comment that members of this group were unconcerned with long-term engagement with local charitable organizations despite her own attempts to encourage this type of giving, informed by a commitment to long-term, rather than quick fix, problem solving. Instead, she suggested, these women

preferred to “feel good about giving” by donating items to schools and organizations of their choosing, a preference Laura characterized as “charity over development.” With these concerns in mind, I asked Janet Chesterfield about her vision in founding the VI Ladies League. In response, Janet told me that after moving to St. Croix from the US mainland, she and “some of the other gals” married to EDC businessmen felt the need to “do something,” having become aware of the dire lack of resources on the island, particularly in the public school system. While the law governing the EDC program mandates that beneficiary companies donate between \$25,000 and \$100,000 to local charitable causes each year, with the specific number determined their income, many ‘EDC wives’ have become personally invested in philanthropy beyond this requirement. As a result, the VI Ladies League has become a well-funded and active charitable organization that focuses its efforts primarily on donating items to the island’s public schools. The funds for these donations are largely drawn from the group’s annual membership dues of \$1,000 per person. During its first year of operation, the League was made up of 60 members. In 2007, the year I spoke with Janet Chesterfield, there were 80 members, resulting in \$80,000 in potential donations.

Preferring to donate classroom items such as chalk, notebooks, and reading material to local schools, the aims of the VI Ladies League are often at odds with those of local nonprofit groups, such as Stronger St. Croix, an organization that has long partnered with and worked toward curriculum development at many of the same local schools targeted by the Ladies League. As a result of the vast and immediate resources and

capital offered by ‘EDC wives,’ however, many schools and charitable organizations on the island have increasingly begun appealing to the VI Ladies League for donations rather than engaging with island-based nonprofits that often insist upon making structural changes over the long term. This conflict of interests that places local organizations and governments in competition with foreign donors is reflected in development literature. James Ferguson (1990), building on Foucault, has theorized the continued—and often, increased—global inequalities as a result of development and has suggested that such aid be understood as discourse, with the side effects of such projects viewed as equally important as their intended outcomes. Scholars such as Escobar (1994) adopted this approach to development as a means of pointing to the power exercised by wealthy donor agencies. More recently, Quan (2005) has written on the ways in which the project of ushering in modernity in El Salvador undertaken by NGOs has affected relations on the ground, as Salvadoran elites have cultivated a position for themselves between ‘local’ and ‘Americanized’ in order to capitalize on the benefits brought by NGOs. The cultivation of this space between ‘local’ and ‘Americanized,’ a move that allows elites to capitalize on existing privilege and become allied with ‘foreign’ donors, echoes the emergent position of ‘EDC girls’ who are able to leverage their middle to upper-middle class backgrounds to gain access to ‘EDC people’ and employment in this sector.

In his discussion of the power relations at work in development, Quan writes, “identification with the United States is one aspect of the acquisition of a ‘progressive’ identity by a segment of the Salvadoran ruling class. As a result, the US government

exerted power in El Salvador not just through money and weapons, or even institutions and political ideals, but also by legitimizing certain practices” (Quan 2005: 277). He goes on to cite one aid worker as saying: “USAID has become a center of power and domination, so that many people—including government agencies—take their disputes to the AID director. We should have more pride...” (Quan 2005: 277). While his work on the emergence of a mediating group of ‘local’ actors vis-à-vis foreign donors is useful for my project, the Foucaultian theorization of development as discourse employed by scholars such as Quan has been subject to the critique that it does not pay adequate attention to material implications of development or the actions of intentioned people on the ground. While scholars continue to recognize the increasing disparity between ‘donor’ and ‘target’ populations, it has become important that work focus not simply on the discursive production of global inequalities (through, for instance, focusing on texts), but also the on-the-ground material effects of financial and development projects. However, Quan’s USAID quote raises the issue of power exerted by NGOs vis-à-vis states—a subject that continues to be relevant in the current moment and has been much-discussed by scholars of globalization, often framed as a shifting relationship between states, civil society, and markets. Meyer (1999) writes, “as participants in a changing balance among states, markets, and civil society, NGOs have both responded to and catalyzed change in a newly globalizing world order...[while] states, in contrast, have retreated as economic powers and have looked for private-sector alternatives to provide public services” (Meyer 1999: 2-4). Scholars such as Silber (2004) and Nelson (2009) have pointed to the ways in which the influx NGOs have destabilized government and

local agendas. The power wielded by the VI Ladies League is such an example of wealthy ‘foreign’ donors sidelining the projects of local actors. Roitman (2005) has also noted this separation of states from state functions. Thus, while their power has decreased, the concept of the nation-state is certainly not dead. Rather, following many scholars of globalization including Sassen (2003) and Ong (1999), I argue that states, state functions, and markets exist in dynamic relation to one another. In her work, Roitman concludes that while the pluralization of regulatory authority beyond the state is certainly of note, it does not mark the end of the state, as “dominion over persons and things may be surfacing out of ambiguous interdependencies (state/nonstate) while remaining consistent with the epistemological foundations of state power and the exigencies of state power” (Roitman 2005: 198). While the relationship between development programs and states that have had their power diminished by increasingly global processes is complex, the state has hardly disappeared in this moment of globalization. Rather, it continues to exist in dynamic relation to markets, state functions, and nations. It is through this dynamic relationship, combined with local hierarchies and distinctions (including long-standing hierarchies of color and class), that the categories of ‘EDC girl’ and ‘EDC wife’ emerge.

The Ladies League is made up of ‘EDC wives,’ the wealthy spouses of EDC businessmen who are able to afford the \$1,000 annual membership fee. Understood on St. Croix as white, incredibly wealthy, and often bored, these ‘EDC wives’ have become particularly interested in philanthropy on the island, a reality that has resulted in

increased levels of charity on the island as well as frustrated relations with existing nonprofits, many of which feel their organizations and agendas undermined by the amount of and direct access to capital wielded by the members of the Ladies League. This chapter explores the role of ‘EDC wives’ and their impact on daily life on St. Croix, particularly in relation to charitable giving. Expanding on my argument from the previous chapter that ‘EDC people’ have displaced long-term white residents as power brokers and gatekeepers on the island, this chapter continues to point toward that important shift in the dominant class on the island. The arrival of ‘EDC people’ has impacted the way local residents view ‘whites’ on the island (as discussed in Chapter 5, a category that has become metonymic with ‘EDC’) in recent years as well as how long-term whites themselves understand their position on St. Croix. That this chapter addresses itself in large part to the issue of charitable giving emphasizes the point that ‘EDC people’ have become the patron class on St. Croix. Throughout this chapter I pay particular attention to gender, laying out the gendered, raced, and classed behavior expected of ‘EDC wives,’ as well as their impact on charitable giving on the island. As these women meet these expectations, a new subject-position emerges on St. Croix, a tightly-scripted role shaped partially by gender and partially by these women’s access and relationship to capital.

As ‘EDC wives’ are in possession of vast amounts of capital and expected to spend it in particular ways, such as donating to local schools and bidding at charity auctions, the female employees of EDC companies, a group of workers known as ‘EDC girls,’ are also subject to classed and gendered expectations. Serving as a buffer group

between the local community and ‘EDC people,’ young Crucian women working for EDC companies are in possession of far less capital than ‘EDC wives,’ but significantly more than most Crucians as a result of the generous salaries paid at EDC companies. I argue that the emergent positions of ‘EDC girls’ and ‘EDC wives’ are best understood as both new status categories and development categories. The arrival of ‘EDC wives’ has led to more than the introduction of a new term in the local lexicon on St. Croix, but rather the creation of a new identity, a space in which newly-arrived wealthy white women selectively engage and disengage with the community at their discretion (a model that differs from long-standing patron-client relations between whites and blacks in the region in which whites are incorporated into society through their ongoing role as patrons engaged in community affairs).<sup>1</sup> Similarly, the status category of ‘EDC girl’ has come into being through these women’s employment and the salaries they earn in the EDC sector, developments brought about by the introduction of St. Croix into global financial circulations. Additionally, however, the labels of ‘EDC girls’ and ‘EDC wives’ also indicate new development categories, as much of these women’s identities are rooted in their roles as consumers of various commodities. For ‘EDC girls,’ this spending is expected to provide for their networks on the island, positioning these young women in a new role of provider.

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<sup>1</sup> For instance, see Torres and Whitten, eds (1998) who write, “Traditionally, Bermuda was run by a white aristocracy whose relations to blacks were paternal in a...social sense. Functioning as a ruling class in an almost feudal sense, they used the instruments of patronage—jobs, loans, credit, mortgages, charity—to maintain the allegiance and even the endearment of blacks, who make up three-fifths of the population...The common Caribbean metaphor of island society as a single large family was powerfully resonant in Bermuda, yielding a meaningful context in which patronage took the social form of a relationship between benevolent, although demanding, white patriarchs and filial black dependents” (Torres and Whitten 1998: 1).



Like ‘EDC wives,’ ‘EDC girls’ are expected to dispose of their (relative) wealth in particular ways. Unlike ‘wives’ who are expected to engage in philanthropy, however, ‘EDC girls’ are expected to dispose of their newfound capital by consuming conspicuously, purchasing new and expensive items such as cars and designer clothing. This expectation of voracious consumption by ‘EDC girls’ is something that many of these working women simultaneously enjoy and resent. This expectation that ‘EDC girls’ will spend their presumably easily-gotten salaries on lavish items such as cars and clothes on the island, thus circulating EDC dollars in ways that benefit the broader community, is linked to the understanding that ‘EDC people’—including wives—will not. That is, while ‘EDC wives’ may donate to charitable causes, this spending is discretionary and understood as neither sustained nor far-reaching on St. Croix. Moreover, the majority of these women’s spending is seen as going toward themselves through, for instance, enhancing their current ‘pet project’ or clothing themselves for upcoming gala events. The differing spending expectations surrounding ‘EDC girls’ and ‘EDC wives’ reflect Crucians’ persisting perceptions of the latter group as outsiders (“dem deh”) while continuing to hold local women employed at EDC companies accountable to the wider community. In addition to ‘EDC girls’ being understood as members of the local community, it is central to note the structural differences between this group and the global elites known as ‘EDC wives,’ women who are able to leave the island with their husbands when EDC companies close (a level of mobility not enjoyed by ‘EDC girls,’ as demonstrated the lockout following Stanford Financial described in Chapter 4).

This chapter will draw from my own time as an ‘EDC girl,’ the period during my fieldwork when I interned with two financial management companies receiving EDC benefits, and present the arguments of these women themselves as they discuss the expectations of their families, community, and employers as well as their views of the program and what they expect in return for their service. This chapter will also examine consumption and complicate a reading of the EDC as simply a program that allows wealthy white Americans to ‘consume’ the US Virgin Islands (Sheller 2003) by arguing, rather, that the program both affects and is affected by the actions of Crucians in general and ‘EDC girls’ in particular. Writing against a top-down approach which privileges the global, I argue against a stable ‘local’ or global.’ Rather, I follow scholars who point to the complex and dynamic relationships between and across these spaces (Slocum 2006; Piot 1999).

### **‘EDC Wives’ and Increased Philanthropy**

One of the hallmark events hosted by Stronger St. Croix is an annual gourmet-dining event known as Island Dining, at which restaurants from around the island come together at a local resort and serve smaller versions of their signature dishes. Tickets for this event, costing around \$80, are coveted on the island and often sell out in a matter of minutes. Island Dining has been one of the most-discussed and anticipated events on St. Croix since its inception in 2001. What is particularly unique about this event is its relatively broad appeal, its ability to broaden attendees at a fundraiser beyond members

of the upper middle class, and bring island residents together for an evening of fine dining and high fashion at a beachside resort. During Island Dining 2007, I was struck by the finery of the attendees as they circled the resort's infinity pool, chatting and sipping champagne. Equally of note, however, was the diversity of the crowd: near the fondue station was the sales clerk from the grocery store dressed in a silk gown, by the pool was a schoolteacher in organza. In the corner, an EDC wife nodded intently along with the jazz band playing on stage. Offering an evening of elegance at a comparatively attainable price has contributed to the widespread appeal of this affair.

In recent years, however, members of the EDC community—and particularly 'EDC wives'—have taken an interest in this event, volunteering themselves as hosts and their spacious homes as backdrops for new events leading up to Island Dining, such as private dinners ranging in cost from \$250 to \$750. As a result, Island Dining has been expanded to include a week of food-themed events, culminating in a dinner at a local restaurant priced at \$1,000 per person. Staggered by the cost of these events, and curious about their effect on the diverse crowd drawn to Island Dining, I arranged to have dinner with several friends at the restaurant that would soon host the \$1,000 dinner. While everyone excitedly discussed what they would wear, and what restaurant would have the best offerings, I asked this crowd of middle-class twentysomethings (many of whom were employed by EDC companies) what they thought of the new events surrounding Island Dining and whether any of them were planning to attend these additional events. The first to respond was Jamila, a Crucian woman in her 20s who worked as an office

manager for an EDC business: “You mean them white people things? (sucks her teeth) Please. Them things is for white people, ok. Why you think it’s so expensive? They don’t want we there.” This invocation of ‘white people’ (discussed in Chapter 5 as a stand-in for ‘EDC’ on the island) versus ‘we’ points to the continuing division between ‘EDC people’ and the local community on St. Croix. However, what is particularly of note is the role of ‘EDC wives’ in deepening this division. As initially pointed out to me by Laura, it is the wives of EDC businessmen, rather than these men themselves, that have become active in philanthropic activities such as planning these exclusive dinners. As a result of these women’s interest and participation, the philanthropic circuit on St. Croix has become increasingly exclusive, and as many Crucians—including Jamila—would argue, “segregated.”

### **‘EDC People’ and Long-term Whites: Competitive Giving and Status**

In order to gather more information about the impact of ‘EDC wives’ on local philanthropy, I arranged to serve as a volunteer for a major art auction put on each year by a local nonprofit group. In addition to assisting with the planning of the event, I was given a task for the evening of the auction: I was to be a ‘piece-holder,’ one of the volunteers who carried the items for sale onto the stage and displayed them to the crowd. When I arrived at the beachside hotel where the auction was to be held, I was greeted by the sight of hundreds of floating candles in the swimming pool and flowers arranged throughout the resort. As the evening progressed, I began to compare it to Island Dining,

an event that is notable for its appeal across racial and (some) class lines. At the auction, which cost \$125 per ticket, the attendees were mostly white, including many ‘EDC people’ and several longtime white residents, including a few of the artists who had designed the pieces being auctioned that evening. I found this mix of ‘EDC people’ and long-term whites interesting, as the widely varying levels of wealth between these groups and conflicts over community participation often result in members of these groups socializing separately. As a result of the high-profile presence of ‘EDC people’ on St. Croix, long-term whites have been displaced as the dominant class on the island and have been subsumed under the category of EDC—now a stand-in for ‘white.’ While long-term whites, such as the Martins, may not socialize with extremely wealthy ‘EDC people’ and see themselves—and their level of engagement with the community—as far different from this group, a difference that is often recognized on an individual level as many whites with decades-long histories on the island continue to be viewed as separate from ‘EDC people,’ on the whole these former gatekeepers are seen as synonymous with ‘EDC people,’ having been displaced by the vast wealth and flashiness of this newly-arrived group. This shift of the category of ‘white’ comes at the expense of an older racial hierarchy on the top of which long-term whites were found—their subsumption under the umbrella of ‘EDC’ (as discussed in Chapter 5), combined with the emergent category of ‘EDC girls,’ demonstrates the significance of global elites participating in this program as well as the unpredictability of the outcomes produced in this ‘frontier’ (Tsing 2005). Where scholars such as Thomas (2004) have noted the possibility of new spaces and opportunities being created by increasingly global processes, the presence of ‘EDC

people' on St. Croix has resulted in maintaining existing class relations, if not increasing previous levels of stratification.

While this art auction has been held on the island for the past 15 years, and has long been attended by wealthy white residents, this night it was clear that 'EDC people,' and their vast wealth, dominated the event. As I stood on the stage holding a large chair that was being auctioned, a bidding war broke out between an EDC businessman notorious on the island for his large land purchases and a white lawyer who has been practicing on St. Croix for over a decade. As the auctioneer volleyed between these competing bidders, the price rose from \$1,000 to \$4,000—ultimately ending with the EDC businessman purchasing the piece for \$8,000. When I recounted this story the next day to my friend, Beth, a white woman in her twenties who was raised on the island and now worked at a local craft store, she responded: "Yeah, I went to that [auction] last year. I was bidding on chairs [for the store], you know, \$5,000, \$10,000... People kept telling me, joking I think, that I seemed like a young EDC wife."

### **'Respectable' Pastimes**

As businessmen whose companies receive EDC benefits are required by law to be on the island for 183 days per year, their wives and children generally relocate to St. Croix, as well. Once on the island, these women generally do not work, as a result of their extreme wealth as well as classed and gendered expectations that preclude their

employment. This combination of material wealth and ideological restrictions, including notions of white femininity and respectability, particularly in the Caribbean (Wilson 1973; Enloe 1989; Alexander 1997; Douglass 1992; McClintock 1995; Austin-Broos 1997) often leave these women without much to do on the island. As a result, many ‘EDC wives’ have turned to what is understood as an ‘appropriate’ use of their time—charitable giving. The private dinners leading up to Island Dining are particularly well-suited to the needs of these women, as they provide an opportunity to volunteer both their time and home(s) while also ensuring an evening spent with only well-heeled residents, able to pay the \$1,000 cost of attendance. These events, however, also contribute to the sentiment on St. Croix that ‘EDC people’ do not want to interact with the local community, preferring instead to remain “segregated.” That the annual dues for membership in the VI Ladies League and the cost of the gala dinner are both \$1,000, a particularly large sum on St. Croix where the per capita income hovers near \$30,000,<sup>2</sup> has meant that these spaces are, in fact, segregated, as most residents cannot afford the price of admission. What is more, those few who are able to afford entry to these spaces, such Ann Martin, find themselves pushed aside by the interests and agenda of ‘EDC people.’

While charitable events such as dinners, balls, and auctions have become more and more exclusive, pricing out many Crucians and affecting a shift that displaces even longtime white residents, the former gatekeepers of social and charitable events, these

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<sup>2</sup> The per capita personal income in the US Virgin Islands in 2003 was \$31,000—“significantly lower than in any U.S. state” (“Economic Impact of H.R. 4520 on U.S. Virgin Islands.” *PricewaterhouseCoopers* 2004: 6).

fundraisers have benefited the St. Croix community through both dollars raised and the subsidiary industries that have developed to cater to ‘EDC ‘people.’ These new businesses include a number of gourmet markets and an emerging crop of high-end women’s clothing boutiques that have particularly benefited from the increase in formal social and philanthropic events. Hoping to get more information on the impact of ‘EDC wives’ on such local businesses, I arranged to meet with Margaret, the owner of Margaret’s Nest, an upscale boutique that offers dresses costing several hundred dollars, and a store that is frequented by ‘EDC wives,’ and to a lesser extent, female EDC employees.

When I walked into Margaret’s wood-paneled boutique, I immediately noticed the new chandelier and antique table she had recently installed in the store. Showing me her other recent additions, including new dresses from her recent shopping trip in Europe, Margaret began telling me how busy she had been that day, as a result of an upcoming charity ball. Taking this as my moment to raise the subject of ‘EDC wives,’ I asked her how these women had impacted her business:

**TN:** Do you get a lot of EDC wives that come in?

**Margaret:** A lot. When we first opened, those women kept us in business. They have the money to spend. Last week, there was a teenage girl in here who wanted a dress—her father runs an EDC. She was complaining to her mom that her sister



had just gotten a \$1,600 dress in Paris a few weeks ago, so why couldn't she get this one?

Pushing further, I asked Margaret if 'EDC girls' often shopped in her store. In response, she told me that they sometimes came in and bought things, but more often than not they were shopping for clothes to wear in the office, rather than the extravagant gowns for sale at her boutique. The ability of Margaret's Nest, a locally-owned business, to survive on the wealth of 'EDC wives' complicates the common sentiment on St. Croix that 'EDC people' are reaping the benefits of the program without contributing to the island. This conversation with Margaret also provides an alternate perspective on the role of 'EDC girls,' a group of employees understood in the community as enjoying a lavish lifestyle and possessing vast amounts of disposable wealth—'EDC money,' a classification used on the island to imply the ease with which this money is assumed to be received by these women. While these workers may, in fact, earn relatively generous salaries, they remain subject to office dress conventions that vary widely from office to office. Additionally, the widespread assumption that the salaries paid to 'EDC girls' have made them wealthy has meant that these workers are increasingly subject to financial demands from their families, shopkeepers, and often, complete strangers. These limitations and expectations preclude 'EDC girls' from consuming exclusively for themselves or attending these balls—a reality that resonates with literature that destabilizes the idea of female workers at overseas factories working simply to earn additional—or 'pin'—money (Enloe 1989). For 'EDC girls,' the money they earn is not

simply disposable income. Rather, the generous salaries they earn have simultaneously placed them in a unique category of affluence and made them subject to additional financial expectations on the island.

### **‘EDC Girls’: New Identities Through Consumption**

While ‘EDC wives’ are subject to expectations that include involvement in the local charitable arena and shopping for related events, female EDC employees are also subject to expectations informed by their gender and relationship to capital. These ‘EDC girls,’ young (generally twentysomething) Crucian women often drawn from middle to upper-middle class backgrounds, are understood to be the fortunate recipients of an EDC windfall in the territory. Rather than their subject-position being determined by their relationship to the means of production, I argue that the position of the ‘EDC girl’ is created through these women’s access to capital and their ability to consume, a dramatic shift that has been noted by theorists of globalization such as Comaroff and Comaroff (2000). As a result of this reading, these women are expected to freely dispose of their newfound money and conduct themselves in a particular—that is, conservative—manner. In my comparison of ‘EDC wives’ and ‘EDC girls,’ I am building on a Marxist/Foucaultian theory of subjects differently disciplined by capital to benefit a transnational regime of accumulation.

In much the same way as the subject-position of ‘EDC wives’ is shaped by their gender and relation to capital, so too is the position of ‘EDC girls.’ As discussed in Chapter 3, hiring preferences in this sector generally favor lighter-skinned young women for these positions, and once employed by EDC companies, these workers—like ‘EDC wives’—are expected to behave in an ‘appropriate’ (or ‘ladylike’) manner. This behavior expectation was policed by employees at both beneficiary companies with which I interned: for instance, in December 2008, I attended the island’s J’ouvert celebration, dancing and singing along with the rest of the early-morning crowd as we made our way down the street. As the party wound its way through town, it passed one of the Stanford offices where I saw three of my former co-workers standing outside, taking in the revelry. When I went over to say hello, surprise—and disapproval—clearly registered on their faces, with one woman saying to me: “Tami, that’s you? YOU are in the J’ouvert?” While these women, ‘EDC girls,’ do not have access to anywhere near the amount of capital as ‘EDC wives,’ enabling them to spend their days engaged in philanthropic endeavors, they remain subject to feminine ideals of respectability and ‘appropriate’ behavior and take seriously the policing of such behavior. For these women, my decision to participate in early-morning drinking and dancing in the street to calypso music along with hundreds of scantily-clad revelers was a serious misstep.

The long history of research on gender and labor in the Caribbean is extensive.<sup>3</sup> For instance, scholars have long noted the feminization of labor during industrialization—yet while women were preferred employees in factories, their labor was devalued, as women were not considered serious members of the workforce. Rather, they were presumed to be supported by their fathers, working only to earn ‘pin money’ for themselves (Enloe 1989). With the shift toward information and financial management, young women have remained desirable employees, although the logic for this preference has changed: in the current moment, women are understood as ‘stable’ employees, workers who will report for duty without fail as a result of familial and financial obligations. I argue that although they are performing a different kind of labor from that of women who work at in factories or in the tourism industry, ‘EDC girls’ can be understood as a part of this trajectory. Carla Freeman’s (2000) work on “pink collar identities” supports this argument, as she has suggested that a re-feminization of the labor process has occurred with the turn toward service industries,<sup>4</sup> resulting in an upward repositioning of (some) women within local status hierarchies. Moreover, through their roles as brokers of consumption, these women also influence transformations in notions of style and fashion in Barbados.

The work of ‘EDC girls’ in the financial sector is new and representative of the current moment, yet it reproduces many of the same effects as ‘runaway shops’ and

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<sup>3</sup> See, for instance, Abraham-Van der Mark 1983, Anderson 1986, Barrow 1995, Barrow 1998, Bolles 1983, Ellis 2003, Kempadoo 2004, Leo-Rhynie 1997, Mohammed 2002, Mohammed and Shepherd 1988, Safa 1995, Momsen 1993, Yelvington 1995.

<sup>4</sup> See also Mills 2003.

tourism, particularly when EDC companies leave the island quickly, as many continue to do. Freeman has coined the term 'pink collar' to describe this new type of labor performed by women. In her work on female workers in the informatics industry in Barbados, Freeman attempts to complicate a traditional Marxist class analysis, theorizing these workers as a new 'class fraction' and arguing that their 'pink collar' identity marks them as different from either white- or blue-collar laborers. In her argument, the 'clean' atmosphere of these women's office work along with their 'professional' dress provides them with a distinct identity. That these women often do not earn substantially more than blue collar workers means that it is not simply earning potential or salary that Freeman considers when describing the subject-position of these women (or, rather, their relationship to the means of production), complicating a Marxist analysis—and introducing the notions of *gendered* class subjects, cultural capital, and local definitions of distinction. That is, the widespread recognition of the importance of being well dressed becomes, with the introduction of the offshore informatics firms Freeman describes, part of the basis of the new 'pink collar' professional woman's identity. Importantly, she also notes that the demands of 'professionalism' are both repressive and enjoyable, as these women are fashioned into new subjects by corporate demands but also find pleasure in their distinction as 'modern' subjects.

One of Freeman's main arguments in her work concerns the literal 'fashioning' of new pink collar identities through consuming "professional" clothing,<sup>5</sup> as she argues that

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<sup>5</sup> See also Thomas 2004 on consumption and identity.

“dress and appearance become vital embodiments of the informatics sector and of new feminine identities for working women as members of the new pink-collar service class” (Freeman 2000: 22). For ‘EDC girls,’ clothing purchases are equally significant. While local women employed at EDCs with relaxed dress codes, such as St. Croix Fund, may be appropriately dressed for work in jeans and tops, it matters very much where these articles of clothing are purchased. As local residents, these women traverse the island (unlike ‘EDC people’ who prefer to remain ‘out East’), yet their regular presence in the upscale area of Christiansted—for either dining or shopping—rather than in other shopping districts that feature lower-end chain stores is significant to their position. Although ‘EDC girls’ are not in need of gala attire from extremely high-end stores like Margaret’s Nest, as are ‘EDC wives,’ they are nevertheless expected to shop in the area, patronizing smaller boutiques over mass-market retail stores. In her work, Freeman theorizes ‘pink-collar’ workers as *gendered* producers and consumers, understanding consumption of ‘professional’ attire as productive of a new subjectivity for these workers. In addition to consuming professional attire, Freeman notes the mobility through travel (often through travel vouchers, called ‘thank you cards’ distributed by their companies) that marks informatics workers as a distinct sector of society with particular opportunities and privileges. The presence of such opportunities is also a reality for ‘EDC girls’ whose participation in this sector often allows for the possibility of travel, both individually and with their companies. I was able to participate in one such instance of EDC travel during an office-wide weekend getaway to Las Vegas provided by an EDC employer.

Having traveled overnight from St. Croix, several ‘EDC girls’ and I met for breakfast in the lobby of our hotel on the Las Vegas strip and discussed our options for the day above the sounds of clicking cameras and dinging slot machines. What was significant about this scene was the fact of the trip at all: the reality that the EDC program has created opportunities such as this weekend escape. For supporters of the initiative, trips like this demonstrate the success of the program: all of the employees on this weekend were local Crucians—all had lived on St. Croix since at least high school, and the vast majority were born and raised on the island. Pointing to this employment—and improved economic situation—of these Crucians, proponents of the EDC claim success for the program. Critics, however, point to selective hiring preferences as leading only to the repositioning of *some* Crucians through this program. This weekend escape to Las Vegas, a site that is perhaps the embodiment of the ‘magical’ earning of large sums of money, combined with the “fantastic Ponzi scheme” discussed in Chapter 4 that Stanford remains accused of perpetrating (as well as its pre-investigation reputation as a “cult”), are indicative of the ‘occult’ in millennial capital described by Comaroff and Comaroff (2000: 310). In their rendering, all of the signs surrounding capitalism at the millennium “have a single common denominator: the allure of accruing wealth from nothing. These alchemic techniques defy reason in promising unnaturally large profits—to yield wealth without production, value without effort” (*ibid*). Trips such as this weekend in Las Vegas and the often-accurate assessment that ‘EDC girls’ receive generous salaries for minimal labor are demonstrative of the moment described by Comaroff and Comaroff.

When I asked one of the women on the Last Vegas trip what her friends back on St. Croix thought of her weekend off-island at her boss' expense, she responded: "Oh, they were excited, I guess. But I didn't tell everyone. You know, you can't tell everyone everything because they might either take it the wrong way or expect me to hook them up with a job." This, then, is the ambivalent positioning of female EDC employees—afforded spectacular opportunities and possibilities as a result of their affiliation with the program, yet also part of—and—in the view of some—responsible to the broader community on St. Croix. In this awkward positioning, 'EDC girls' are subject to new expectations based on their employment within the EDC sector, yet they remain subject to long-standing local gendered and generational expectations, as well. When I first arrived on St. Croix to begin fieldwork, one of my first tasks was renting an apartment. As I searched for a rental unit, ruling out East End as too expensive on my fieldwork stipend, and other areas as simply too far or secluded for my needs, I was frequently met with curious stares and concerned questions such as "you have family here? Why such a pretty young girl like you looking to rent?" This desire for a space of my own was seen as unusual to the point of suspicious. For many unmarried young women earning EDC salaries, these expectations mean continuing to live with their parents while significantly out-earning them—a situation that can create conflicts over authority and financial responsibilities. For instance, Ava and Beth, two unmarried and childless 'EDC girls' in their late 20s with whom I spoke, both continued to live with their parents despite the salaries they earned through their employment in the EDC sector. For Ava, whose solidly middle-class, but not extravagantly wealthy, background included a college degree from



the US mainland, this living arrangement provoked tensions around household expenses between her and her parents. Who should foot the bill for remodeling the kitchen? What of a possible addition to the house? These were struggles over financial responsibility and expectations brought on by the salary Ava earned at her EDC job. These conflicts differ from those of many young college graduates living with their parents, as Ava earned the largest salary in the home and thus often felt obligated to support the household rather than to make small contributions, an inversion of traditional generational roles she often lamented. For Beth, who came from a wealthy family, the financial expectations she faced at home were different—but equally frustrating. Given the generous salary earned by their daughter, Beth’s parents assigned certain household bills to her, despite their comfortable economic position. This expectation of financial parity between her parents and herself was a relationship to which Beth objected, as she felt less would be expected of her if she worked at what she called a “regular”—that is, non-EDC—job.

In her text, Freeman ultimately concludes that informatics workers occupy an ambivalent space in Barbados. Similarly, ‘EDC girls’ whose consumption patterns—including trips to the mainland, throughout the Caribbean, and beyond—are marked as different from many Virgin Islanders who have limited mobility and access to resources. While these workers’ employment at EDC firms is facilitated by their ‘localness’ (that is, being from St. Croix—as businesses receiving EDC benefits are legally required to hire a certain number of local employees), I argue that these workers become seen as something else—something like ‘local, with a difference’ as a result of their relationship to the EDC program as well capital broadly.

## Processes of Subject Production

Contemporary processes of globalization are profoundly and intrinsically both racialized (as discussed in Chapter 5) and gendered in ways that draw from older ideological and institutional constructions of race and gender in the region, but that also produce new dynamics of subject formation.<sup>6</sup> The very creation of this subject-position, ‘EDC girl,’ is indicative of the centrality of the EDC program on St. Croix. What is more, the identity of these female employees is now shaped by their relationship to this program, and by extension, to global capital.<sup>7</sup> Altering Marx’s foundational insights regarding identity and relationship to the means of production, Mintz (1985) has written on the relationship between consumption and identity-making. Using the case of sugar production in the Caribbean during slavery, his work demonstrates the ways in which emergence of sugar required not only large-scale societal transformations, but also shifts—or, more accurately, breaks—in identity. Detailing the ways in which sugar’s move from ‘luxury’ to ‘necessity’ facilitated new class relations and identity tied to consumption rather than production, he writes: “tobacco, sugar, and tea were the first objects within capitalism that conveyed with their use the complex idea that one could become different by consuming differently” (Mintz 1985: 185). Baucom (2005) also productively explores this relationship through his discussion of the conversion of slaves into commodities, while Roitman (2005) has described the behavior of ‘fiscal subjects.’

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<sup>6</sup> Clarke and Thomas 2006; Freeman 2000; Hall 1996; Holt 2000; Khan 2004; Thomas 2004; Yelvington 1995

<sup>7</sup> See Curtis 2009 on the relationship between global processes and emergent subject positions in the Caribbean.

In her work on female migrant workers, Lan (2006) provides a gendered analysis, arguing that migrant domestic workers become disciplined as new subjects—docile, asexual laborers. Lan writes that “through the ‘proper’ management of dress code, hairstyle, and manner, migrant women [are presented] as defeminized and disciplined servants to the gaze of prospective employees” (244). Ngai (2005) also details the link between gendered subject-production and labor in her work on female factory workers in China, providing an analysis of the ways in which global capital co-opts subjects to fill its needs and the ways in which subjects participate in this process. In her work, Grewal (2005) also examines the relationship between consumption and identity in the making of cosmopolitan subjects, writing that “rather than simply produce national subjects or citizens, [supra-national] processes caused the emergence of heterogeneous subjects who created identities in relation to the nation-state as well as to new kinds of internationalisms” (Grewal 2005: 10). For Grewal, these new identities come in the figure of the cosmopolitan subject: a jet-setting member of a diasporic community (she addresses herself specifically to non-resident Indians), who is able to cross national boundaries regularly and with ease—mobility which works to constitute this new transnational identity. Importantly, she notes that these new subjectivities are not necessarily incompatible with older forms of national identity, as cosmopolitan subjects are able to vacillate the two. ‘EDC girls,’ many of whom travel to the States regularly for both business and pleasure and are expected to consume in visible ways, are an example of this cosmopolitan subject-position—although the political status of St. Croix as a US

territory complicates this reading, as these women's travels to the US mainland do not constitute crossings of national boundaries.

In her work on play in Japan, Allison (2006) discusses schoolgirls and the female character *Sailor Moon* to point to the ways in which subjectivity is affected by one's relationship to commodities, outlining what she suggests is the relationship between identity and consumerism in the current moment: "Identity is decentered from any one modality/body and is fragmented into multiple pieces that girls around the world can mix and match when they play *Sailor Moon*. This feature... makes play and identification a pursuit ever more linked to consumerism" (Allison 2006: 160). Here, one's access to capital (demonstrated by the ability to consume) is linked to one's subject-position, as Allison goes on to argue that the identity of this modern, consuming subject is tied to the political economy of the current moment, as "*Sailor Moon* embodies the cultural logic of post-Fordism: fragmentation, flexibility, customization" (*ibid*). In her discussion of the figure of the schoolgirl, Allison writes, "in the place she holds in the national imaginary these days as a consummate consumer, the schoolgirl is not only a signifier of and for millennial capitalism, but also its symptom: both feared and desired for the 'material transparency' with which she is so closely identified" (Allison 2006: 139). The term 'material transparency' aptly describes the position of the 'EDC girl,' expected to consume visibly and regularly. Here it is important to note the centrality of gender in Allison's argument, as her theorization of identity is made largely through the increasing importance of the schoolgirl and female cartoon characters, like *Sailor Moon*. The

subject-position of the ‘EDC girl’ comes into being through the relationship between labor and identity (as these employees become understood as more than mere representations of the program, but the embodiment of St. Croix’s interpolation into the global financial market) as well as the centrality of commodities noted by Allison.

### **Commodities**

The generous salaries ‘EDC girls’ are understood to be paid combined with the sometimes-correct assumption that they are not expected to perform much work in EDC offices result in the expectation on St. Croix that these women will dispose of this money, ‘EDC money,’ quickly and lavishly. Sandra, an ‘EDC girl’ with whom I worked during one of my internships, majored in economics at a well-respected mainland college, yet now found herself making coffee and gathering lunch orders in her office:

**TN:** Have you felt like there’s a split in the kind of work done [between local and Stateside employees]

**Sandra:** Definitely. At least from the EDC companies I’ve seen, I’ve seen more [local] women in the roles of office manager, receptionist, you know, personal assistant and what not. And then, we have one female here that’s a research associate, and she has an MBA and I guess, you know, that’s why. But a lot of us are hired to kind of just fill, fill in spots so that we, you know, we can comply to

the EDC rules and thus get the benefits. Well, I guess the higher ups get the benefits. [The EDC companies] have to hire locals, but there isn't enough work to do—or they don't trust [us] enough to do the real work.

**TN:** Does that seem, when a local person is hired, does it seem just to be to get the benefits, or is it to lift up the VI?

**S:** [My boss] wants us to grow and develop, and any way he can help, he does. But, I think for the most part, it's just to fill spaces, for other companies, they just do what they have to do so they can get their benefits. And, and I've seen that.

This assessment that local employees are hired in support positions, and then not expected to perform much labor, was echoed by the CEO of an EDC company, who stressed that his office had a difficult time hiring local employees as “the candidates all came in with a wink and a nod,” expecting to be paid handsomely for very little labor. That this money, then, is seen as if not ill-, then certainly questionably-gotten, combined with the hiring preferences that favor lighter-skinned, relatively privileged young women, results in the sentiment on St. Croix that this money is easily-earned and that ‘EDC girls’ who receive this capital should spend it easily—and spectacularly. While window-shopping one Saturday with a friend who had recently begun working at an EDC company, the salesman at one clothing store (also a longtime friend who had heard the news of her recent hire) encouraged us to come in, goading her that she ought to “spend

up that EDC money.” Here again, the questionable source of this money—gotten quickly and for presumably little labor—is brought to the fore. The continuing history of IRS raids on EDC companies contributes to this reading. This understanding of EDC money as easily and questionably gotten capital echoes the assessment of Comaroff and Comaroff (2000) who have described millennial capitalism as characterized by “locally nuanced fantasies of abundance without effort, of beating capitalism at its own game by drawing a winning number at the behest of unseen forces” (Comaroff and Comaroff 2000: 297). That these women, then, are seen as ‘lucky’<sup>8</sup> recipients of EDC money and are encouraged to dispose of their salaries in lavish, and conspicuous, ways is of note. During an interview with Jasmine, an administrative assistant at an EDC company, I asked if the program was beneficial to the territory as a whole. In response, she pointed to this notion of having drawn a “winning number” or gotten “lucky”:

**Jasmine:** It definitely brings something we didn’t have before because for me personally, I was working at another job where I wasn’t very happy, I wasn’t making as much money as I do now, and so, once I got hired here, it was just a better opportunity, more money. And with that, comes, I am able to, you know the island benefits kinda from me, because now that I’m making money, I can go out and buy a car and that’s a sale to another you know, local business. And other people in here, now that they’re able to make money they’re able to buy houses, you know and stuff like that. So, I think it does benefit us, you know, the ones

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<sup>8</sup> See also Brydon 1999 on perceptions of luck vis-à-vis neoliberalism

that are working, but maybe on a whole, it may not be as beneficial to Virgin Islanders as to the people who actually own the companies.

I think people, you know, resent me. Like, for example, I went out last week and I was hanging out with some waitresses and waiters and I used to at one point, be a hostess at a restaurant, and it was so weird, because I felt like there was a division, like we were very different and that they looked at me different because ‘oh, I work for [an EDC]’ and ‘oh she must be making a lot of money and think that she’s better than us.’ And I was like, ‘I used to work at [this restaurant!]’ It’s just, I guess I got lucky! And I feel I did, I did get lucky! And...and I mean, that does make me feel a way because this job doesn’t define who I am. I mean, I’m grateful for it, because I’m able to do things that I’m not able to do, I wasn’t able to do before.

While Jasmine’s focus in this exchange was on the tensions between her and her former co-workers at a restaurant, an important development brought on by her EDC employment, the very fact of this evening out is equally of note. The spending expectations surrounding ‘EDC girls’ include that they regularly dine out at the island’s posh restaurants, participating in the burgeoning ‘restaurant culture’ (a term used by several interviewees to describe the scene created by ‘EDC people,’ long-term whites and middle-class locals—including ‘EDC girls’—dining out several times each week). That is, being able to frequent the ‘right’ restaurants is an expectation of ‘EDC girls.’ It is



important here to note that this assumption of ‘EDC girls’ spending their evenings drinking wine and socializing applies to unmarried women, such as Ava and Beth. Safa (1981) notes that “most women recruited to work in runaway shops are young and single and contribute to their parents’ income rather than sustaining families of their own” (Safa 1981: 428). As noted by Enloe (1989), the logic for this preference has been that young unmarried women are more ‘nimble’ and ‘docile’ on the job. Also, managers have assumed that “women are merely secondary wage earners in their families...The can presume that the single woman is just earring ‘pin money’ for herself because she has a wage-earning father who supports her and her mother” (Enloe 1989: 163). Yet, while it is the case that many ‘EDC girls’ are unmarried, with the exception of the women working at Stanford, the financial expectations these women face from their parents and communities make their salaries more than disposable income—or ‘pin money.’ The expectation for married women working in the EDC sector is that their salaries—and many of their evenings—will go to their nuclear families. Married Crucian women working at Stanford were not expected to be seen at restaurants in the evenings. Rather, these women were held to a higher standard of respectability and socialized with one another at small group functions and at company-sponsored events, which they attended with their husbands. For instance, I attended a Stanford-sponsored arts fair one evening in the summer of 2008 and looked on as each of my Stanford co-workers settled themselves, their husbands and small children under the large domed tent reserved for Stanford employees. As couple after couple arrived, I realized how infrequently I encountered these women outside the office, compared to the single ‘EDC girls’ I ran into many

evenings. Although marital status affects the ways female EDC employees are expected to spend their time and money, these differences are a matter of degree rather than type. That is, both unmarried and married ‘EDC girls’ are expected to behave themselves in ‘respectable’ ways and be seen at the ‘right’ places. In her discussion of the gendered ideologies that have affected women’s labor, Freeman (2000) describes the positioning of the ‘pink collar’ worker in ways that are productive for understanding the role of ‘EDC girls’:

Bajan women are recruited into offshore informatics, not because they are naturally more docile, dexterous, and nimble fingered than men or because they are dependent daughters who need little money because they work merely for ‘extras’ or, on the other extreme, because their status as mothers guarantees their superior work ethic and reliability. These women are incorporated into the informatics sector through the powerful deployment of gender ideologies—local and global—in which the work of processing data is conceived as feminine by virtually all of the actors involved. And, women are drawn to informatics because it is one of few expanding arenas within the nation’s economy” (Freeman 2000: 138).

Returning to Jasmine’s exchange with her former co-workers at the restaurant, I argue that while her insistence on “being lucky” points to the magical element of millennial capitalism, it is also a deflection that masks the structural inequality that gives

her preference in being hired at an EDC. As the expectation surrounding Crucian women's employment at EDC companies is that their salaries should be spent in visible ways, 'EDC girls' take frequent trips to the States and beyond, buy expensive cars and clothes, and dine out regularly. Jasmine's encounter with her former restaurant co-workers during one such evening out and her insistence that "the job doesn't define" who she is perhaps indicative of the fact that for many on St. Croix, employment at an EDC company *does*, in fact, affect one's identity on the island.

Curious about the impact of spending expectations on 'EDC girls,' I arranged to talk with John Partner, the manager of a large car dealership on the island. John, a white man in his 50s from the US who had moved to St. Croix in the mid-1990s, manages one of island's more successful car dealerships. When we met at a local fast-food restaurant, I asked about the impact of the EDC program on his business—specifically if the kind of car he sold most had changed. In response, he told me that "the level of opulence has increased and the income level seems to be up on the island." When I asked what he meant by 'opulence,' he said that his customers on St. Croix had gone from wanting to purchase a vehicle, for instance, the Ford F150, and now shopped for "the next level," the Ford F250, a pricier model with leather seats and additional amenities. When I asked John how much of this change he attributed to the EDC community, including local employees, he said that about 10-15% of his business came from EDC people, and that he thought they had contributed significantly to this increased 'opulence' on the island. None of the 'EDC girls' with whom I spoke or was familiar drove the type of pickup

truck described by Partner—yet his observation about the ‘opulence’ of this group immediately rang true to me. For instance, Xio, a 26-year old Crucian woman who worked at St. Croix Fund as an office manager was so proud of her newly-purchased SUV that she often volunteered to run office errands as an excuse to drive around the island. At the time of my fieldwork, Beth, too, had recently purchased a new SUV, while Ava bought a sedan with leather interior—both costly investments they made willingly. Whether out of pride or sympathy, these women always insisted on picking me up when we hung out, lest they be seen in my ‘ragga.’

Given this centrality of consumption to my analysis of the EDC program, it would be tempting to understand the initiative as one that allows white people from the mainland US to relocate to the USVI and ‘consume’ the island and its resources (see Sheller 2003). However, this reading discounts the agency of the Crucians with whom I talked and worked. Rather, I argue that the opportunities afforded female employees of EDC companies allow for the mutual consumption of the island *and* the EDC program. In her text, Carla Freeman links production and consumption in relation to globalization, using pink collar women’s consumption to complicate a binary that posits 3<sup>rd</sup> World women producing and 1<sup>st</sup> World women consuming. In much the same way, I argue against a reading of ‘EDC girls’ as simply the victims of this global moment, dupes who are paid well by EDC firms to ensure the continued existence of the program. Rather, I understand these women as drawing on both their background and their current status as EDC employees—a combination that results in a new subject-position. There is, of

course, a darker reading of this: if the new subject-position occupied by female EDC employees represents something like a midpoint between local and foreign, it stands to reason that they are expected—to some degree—to perform a mediating function in society: the local grist for the mill of global capital. I want to argue that while these employees *do* serve as something like a buffer between ‘EDC people’ and ‘local people’ on St. Croix (an arrangement more than a little reminiscent of the island’s societal structure under colonialism), there is more going on than this. Rather than merely being appropriated and performing a legitimizing function for the EDC program, I argue that through their everyday practices, these women are crafting—and themselves occupying—new spaces on St. Croix. Crucians are *consuming* this development initiative—actively negotiating its presence, reception, and possibilities on St. Croix. It is important to note, however, that while ‘EDC girls’ are ‘consuming’ (or, as argued by one EDC girl, “using”) the EDC program, their relationship to this initiative places them in a precarious position on St. Croix, subject to competing expectations from both the broader community of St. Croix and the EDC sector in which they work. Moreover, the expectations surrounding patterns of consumption of ‘EDC girls’ also reflect the ambivalent positioning of these women: as EDC girls shape and are shaped in new ways by their relationship to this program, they remain subject to existing pressures and expectations from the community—expectations that, in many instances, have been heightened by these women’s presumed access to vast amounts of capital as a result of their employment within the EDC sector. While EDC wives are able—indeed expected—to spend their wealth on themselves, including attending hosting and attending charity

balls and donating to causes of their choice, EDC girls are expected to dispose of their salaries in ways that are of benefit to the broader community of St. Croix. Along with the assumption that the money earned by EDC girls is easily gotten—as a result of hiring preferences that favor the relatively privileged for employment and the dearth of actual labor understood to be performed by these workers—their fellow Crucians expect these women to dispose of their newfound relative wealth lavishly, spreading this money throughout the community. These community expectations, manifested in calls to “spend up the EDC money” and requests for loans, coupled with the suspicion with which many Crucians view the sector in which ‘EDC girls’ work results in the ambivalent positioning of these women. Given that the capital of EDC people, including that of EDC wives, is not seen as benefiting the broader community of St. Croix, the consumption patterns of ‘EDC girls’ are expected to meet this obligation.

The power dynamics of the EDC program are skewed towards wealthy ‘EDC people,’ the agents of global capital, yet ‘EDC girls’ (the direct recipients of EDC dollars) also consume and shape the program to their needs and wants. While the limited training many ‘EDC girls’ receive make it difficult to transfer their skills to new positions, the money and office experience they gain allow them to ‘use’ the program to their benefit. During an interview with Lakisha, a 28-year-old woman who worked as an administrative at Stanford Financial during my internship, I asked her whether or not the program was beneficial to the territory—or if, as many on St. Croix suggest—it merely takes advantage of the island and its resources:

**TN:** Do you think the [EDC] program is a good idea?

**Lakisha:** I do. A lot of people on St. Croix think the companies are coming to take advantage of the island. I think ‘they use us, we use them.’ I can get training and eventually move up in the company or even a transfer within the company to an office in the States. That wouldn’t happen in my old job [in the local government]. There, you had to wait for somebody to retire or die to get a promotion. This is progress.

While Lakisha’s hopes of moving up within the company seemed optimistic at the time of our interview, the debacle that was the closing of Stanford proved just how unfounded this expectation was. However, I argue that her suggestion that EDCs both “use” and become used by the Virgin Islands and its people is of note. Pursuing this notion of mutual consumption, I went on to ask Lakisha if the program meant ‘progress’ for everyone in the territory:

**L:** No—but those who can benefit from it, those who can move back from the States, they can do good. Like, with land. The land was there all the time and you [i.e. Crucians] didn’t buy it. Land is for sale and there are too many people on St. Croix who think the land is theirs. The land ain’t yours. I talked with my father

about Smith buying up all this land and he said ‘tell him come.’ I think a lot of people on St. Croix still have a ‘horse-and-cart’ mentality about development.

By arguing that Crucians continue to have a “horse-and-cart mentality” vis-à-vis development, Lakisha is pointing to the fact that many people on St. Croix are critical of development, particularly initiatives such as the EDC, that they see as detrimental to the island. This skepticism is often contrasted, particularly by EDC businessmen who describe it as “anti-business,” with the excitement with which development programs are generally received on St. Thomas. Lakisha’s argument that Crucians are able to ‘use’ the EDC program and ‘EDC people’ complicates a reading of the program as entirely predatory and points to the agency of local actors. This interplay was demonstrated, for instance, when a group of ‘EDC wives’ were forced to rethink their appropriation of a charitable event, as was the case when Stronger St. Croix maintained the rights to Island Dining and insisting on maintaining lower ticket prices and broad-based appeal against opposition. ‘EDC girls,’ perhaps, are in the best position to ‘use’ this program, as they are the recipients of opportunities, such company trips to the States. Their ambivalent positioning, being beneficiaries of EDC opportunities not otherwise available locally, while at the same time viewed as responsible to the broader community, result in these ‘lucky’ women embodying one of the “experiential contradictions” described by Jean and John Comaroff (2000) as integral to millennial capitalism. As noted by one of the Las Vegas travelers, she “can’t tell everyone everything because they might either take it the



wrong way or expect [her] to hook them up with a job.” Or, as argued by Lakisha, “everybody wants to talk bad about the EDC, but everybody want a job.”

### **Negotiating a New Identity**

From the outset of my fieldwork, I was interested in the ways ‘EDC girls’ were understood on the island. While at St. Croix Fund, I interviewed Xio about her experiences in the EDC sector and how friends and family treated her now that she worked at St. Croix Fund:

**TN:** Do you have other friends that work for EDCs? Do people treat you differently when they find out where you work?

**X:** I have four friends that work at EDCs. Yeah, I’ve gotten negative comments: ‘they aren’t permanent. This job isn’t reliable.’ If [St. Croix Fund] closes, I’ll look for another EDC job. The pay is great, I’m happy to be part of the program, to have this job. You know next week I’m starting college online...Now my kids go to a good [parochial] school.

The opportunities discussed by Xio are indeed benefits of EDC employment. Yet, there remain drawbacks to working in this sector, as EDC girls’ are viewed as undeservedly wealthy and arrogant (as shown in Jasmine’s concern that her former

restaurant co-workers thought she now felt herself “better than them”). During my time at Stanford Financial, I became increasingly curious about the ways in which Crucian women working at Stanford in particular were set apart by the mandatory brooch that marked these women as participants in the EDC sector in general and at Stanford in particular. To gather more information on what reactions this identity engendered, I asked Lakisha if she felt that people treated her differently since she began working in the EDC sector eight months earlier, as well as whether this brooch affected the way she was identified and treated on the island:

**L:** Before I started working [at Stanford], someone told me it was cult and you have to wear the brooch to work there. I told them ‘the bank has a uniform, and the brooch is part of the Hawksnest uniform.’

**TN:** But does the pin affect the way people treat you?

**L:** In town, it means good treatment, good service because they think you have money. Other places, though, you hear rumors, people ask a lot of questions. Everybody wants you to help them with a job. Car dealers show you the most expensive cars in the lot when you wear that brooch. Everybody thinks you have money. To avoid all that, I take the pin off when I leave the office. But really, if you work in any EDC people think you rich.

This negotiation of EDC identity was also noted by Lakisha's friend, Sandra, a woman who worked in the next cubicle and joked that she takes off her brooch before going into the supermarket to avoid being given resumes and fielding job requests. Lakisha's annoyance at being singled out as a result of her job by, for instance, being shown the "most expensive cars in the lot" rubs up against John Partner's assessment of an increased demand for 'opulence' on the island. As a result of their employment in the EDC sector, 'EDC girls' are understood to be the beneficiaries of an undeserved windfall built upon their existing backgrounds of relative privilege. Because of this reading, 'EDC girls' are expected to dispose their salaries, 'EDC money,' in 'opulent' ways. However, the increased financial burdens of car notes, expensive lunches, and personal loans are not necessarily what these women want from their employment. In order to counter these expectations, local women working at Stanford removed the most clearly identifying marker of their employment, the golden logo of their company. When asked if there were other ways she downplayed her link to the EDC program, Lakisha responded that she was often vague about her place of employment, telling people she "works at an EDC. They don't need to know it's Stanford."

In this chapter, I have examined the positioning of 'EDC wives' and 'EDC girls' on St. Croix. A combination of gendered and classed expectations result in equally-prescriptive—yet vastly different—roles for these women. For 'EDC girls,' the relationship between consumption and their identity is central, while their newly- and ostensibly easily- found relative wealth is viewed on the island as a matter of 'luck,'

shoring up assessments of a link between the occult and millennial capitalism. These women, then, embody one of the “experiential contradictions” described by Jean and John Comaroff (2000) as integral to millennial capitalism, given their precarious position with respect to family, education, social mobility and occupation. Their position and emergent subjectivity present a challenge to ‘traditional’ gender and generational norms on St. Croix, as these young women outearn both their parents and Crucian men. The backgrounds of relative privilege that most ‘EDC girls’ are drawn from, however, shore up existing class norms in St. Croix and lend support to the widespread view that earning an education on the US mainland allows for brighter prospects. Local female employees at EDC companies work alongside their Stateside counterparts, white employees who move to the island along with EDC companies and are viewed on the island as ‘EDC people.’ EDC wives, too, are much-discussed on the island, and their enthusiastic entry into the philanthropic arena on St. Croix, a development that has resulted in the goals of local nonprofits being sidelined, has contributed to the shift toward equating ‘EDC’ with ‘white (that is, subsuming long-term whites under the umbrella of ‘EDC’). The move from long-term whites to ‘EDC people’ as the dominant class on St. Croix is particularly important, as it is demonstrative of the far-reaching effects of the EDC program. These patterns—of ‘EDC girls’ and Stateside workers; ‘EDC girls’ and ‘EDC wives;’ and ‘EDC people and long-term whites—are important for my argument concerning the centrality of the EDC program, its ambivalent position, and its contribution to emergent identities and shifting relations on St. Croix.

## 7. Conclusion

Even more than the financial crisis that enveloped the US in 2008, a downturn that ultimately encompassed much of the globe, the closing of Stanford Financial was a blow that struck the already-beleaguered economy of St. Croix particularly hard. Beyond the economic difficulties caused by the company closing—the lockout of employees, the freezing of their pay and the immediate halt to Stanford’s extensive construction projects across the island—the charges against Stanford Financial were seen on St. Croix as an indictment of the very concept of the EDC program, undermining what little support for the program existed on the island and bringing its legitimacy further into question. The long-term implications of this development remain to be seen, yet it is already clear that the charges against Stanford have done more to shore up the reputation of EDC companies as unreliable and suspicious sources of income than any action taken by detractors. If working at Stanford temporarily interpolated Crucian women into circuits of global privilege, the company’s public fall from grace drew increased attention to the temporary—and dubious—nature of this position.

At best, program supporters had hoped that the EDC would inject much-needed new capital into St. Croix’s long-struggling economy. At the very least, the legal requirement that each beneficiary employ “at least ten [Virgin Islanders] on a full time

basis”<sup>1</sup> seemed to ensure increased employment prospects for Crucians. However, the early and frequent experiences of St. Croix—and the Caribbean in general—with mass circulations of people and wealth have meant that the EDC program is not an entirely ‘new’ program divorced from previous circulations of class, race, gender, and color. The very need to pay increased attention to the economy of St. Croix compared to its sister islands of St. Thomas and St. John can be traced to the geographically-informed decision made by the Danish, and then the Americans, to focus on agriculture, rather than tourism, as the economic driver of that island’s economy. Additionally, the historical confluence of class and color in the region, a particularly salient relationship in the former-DWI, where ‘good’ behavior could earn blacks the status of ‘white,’ continues to inform life on St. Croix, including the employment prospects within the EDC program.

My focus on St. Croix as a ‘new’ node in global financial circulations is rooted in the island’s status as an English-speaking US territory only a short plane ride away from the continental United States. These unique geographic and political factors are especially attractive to American investors and have been central to the existence of the EDC program. However, for all the particular advantages offered by the EDC program, it is situated within broader global and regional shifts: the abject lessons learned by many Caribbean islands following their experiences with industrialization programs, including the minimal benefit to their ‘host’ countries compared to that received by foreign corporations, increased unemployment, migration in search of employment, and

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<sup>1</sup> Rules and Regulations Economic Development Commission. Title 29 V.I.R.R. 22 Dec 2004. Section 708-601 & 604

population control measures, led to a turn toward ‘lighter’ industries, such as information- and financial- management. Technological advances made such enterprises, and the incorporation of formerly-omitted spaces, possible. Yet, while advocates declared this shift a step toward virtuality, other scholars rightly drew attention to the material conditions—and actual laborers—that made such ‘virtuality’ possible. Across the region, it was hoped that the paradigm shift toward lighter industry would result in increased training and skills for Caribbean residents, yet this has largely not been the case. Rather, as demonstrated by the Stanford debacle, programs like the EDC have resulted in many of the same effects as tourism and ‘runaway shops.’ Far from a turn away from service, the move towards global circulations has resulted in but another *type* of service.

Employing lighter-skinned, middle-class young women on St. Croix, EDC companies have built upon long-standing local relations of privilege, frustrating many on the island who had hoped the program would provide inroads toward economic development for Crucians more broadly. The combination of this existing stratification with new forms of privilege that come from being affiliated with the global capital of ‘EDC people’ has resulted in the emergent category of the ‘EDC girl.’ Understood to be little more than “the right kind of locals” necessary to fulfill hiring requirements, these women are presumed to earn fantastic salaries for performing minimal labor at EDC companies. As a result of this great stroke of ‘luck,’ and the ambivalent position in which they exist as both representatives of the EDC program and “one of we” (that is, Crucian), ‘EDC girls’ are expected to spend their ‘wealth’ extravagantly and in ways that benefit their fellow Crucians. This newly-assigned role of provider which ‘EDC girls’ are expected to fulfill

is often in conflict with generational hierarchies and understandings of financial responsibility. The spouses of wealthy EDC businessmen, ‘EDC wives,’ are not held to this standard of community uplift, and are expected to focus their money and attention on events of their choosing, most often charitable organizations and gala events.

This expectation that ‘EDC people’ spend their money in ways that appeal to them, rather than the community, is tied to their perceived lack of interest in becoming involved in local affairs and serving as ‘gatekeepers.’ Adopting this patron position has long been the general expectation of wealthy whites on the island, and a role formerly fulfilled by long-term white residents. Now subsumed under the heading of ‘EDC,’ a group understood to shirk their social responsibilities on the island, long-term whites have largely objected to these recent arrivals. The indifference of ‘EDC people’ toward St. Croix, coupled with the enclaves in which they live and socialize, has resulted in an understanding of this group of global elites as ‘racist’—a charge that has brought with it increased racial tension and violence. Beyond a binary of ‘black’ versus ‘white,’ the tensions surrounding ‘EDC people’ have contributed to the resurgence and deepening of divisions based on race, ethnicity and birthplace. These unexpected outcomes of globalization are hardly unique to St. Croix, as scholars have noted the rise in xenophobia and increasing invocations of indigeneity across the globe.

The understanding of ‘EDC people’ as racist, wealthy whites growing wealthier at the expense of St. Croix and Crucians, has situated this group in the context of slavery.



Crucians' frequent reaction vis-à-vis the EDC program—declarations that “slave days over”—demonstrate this positioning. While taking seriously the ways in which raced, classed, and colored hierarchies established during slavery and colonialism inform this program, I suggest piracy as a more appropriate metaphor for the suspicious, often illicit, circulations that characterize the EDC program as well its ambivalent relationship with the (US) state. The historical continuities of race, color, and class that the EDC program shares with earlier circulations in the Caribbean, including slavery, piracy and colonialism, make real the concerns of Crucians who fear any increase in existing stratification on the island. However, program advocates who herald the initiative as beneficial and unprecedented also tell part of the story of the EDC program. This dissertation presents the initiative in its nuanced reality: neither a return to “slavery” nor an unproblematic step of “progress,” it is some of both and all of neither. As with globalization itself, the EDC program is complicated: both radically new and rooted in relations that are centuries old, the EDC creates unprecedented circulations and opportunities, yet these new spaces are never entirely free from what came before them.

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